

EUROPEAN NEWS

Dutch trade surplus shrinks 14%

By Laura Rasm in Amsterdam

THE Dutch visible trade surplus shrank 14 per cent to Fl 10.1bn (£2.7bn) in 1985 from Fl 11.8bn the previous year, the first drop in four years as imported goods were sucked in.

The decline in the trade surplus is viewed positively. Many of the growing Dutch imports are investment goods or raw materials fuelling the modest economic recovery. Imports of machinery, organic chemicals and plastics all grew 16 per cent or more.

Exports rose 7 per cent in 1985 to Fl 225.6bn, while imports grew 8 per cent to Fl 215.5bn.

In December 1985, the trade surplus surged 73 per cent to Fl 1.8bn from Fl 1.1bn in November. Exports dropped 23 per cent to Fl 14.8bn in December while imports fell 29 per cent to Fl 12.9bn.

West Germany remained the Netherlands' most important trading partner, with nearly one-third of exports going to West Germany.

Reuter adds from Oslo: Norway's oil production is set to rise by at least 10 per cent this year despite calls from the Organisation of Petroleum Exporting Countries Opec for restraint or cuts in output to stabilise tumbling prices, the Oslo daily Aftenposten said yesterday. It said Norway would produce some 890,000 barrels of crude per day this year.

Kockums bows to the inevitable

BY DAVID BROWN IN STOCKHOLM

IN ITS glory days as the flagship of the Swedish merchant shipbuilding industry, Kockums once topped the global league in new launchings and vessels delivered.

The yard emerged in the early 1970s as the world's leading builder of very large and ultra-large crude carriers. It did this with virtually unmatched productivity — at one point turning out a supertanker once every 40 working days.

At its height in 1973-74, Kockums could boast the world's biggest order backlog: 6.3m deadweight tons. "Buyers were lining up at our front door," said one spokesman wistfully.

Then came the world oil price explosion which ripped the bottom out of the tanker market and threatened the basis of Kockums' existence. Ever since, the company has moved from one "make or break" order to the next.

"We have been living with the rope around our necks for a long time," said one top executive recently, looking at the yard's towering 1,600 tonne gantry crane which threw a long shadow over the heart of the town of Malmo.

Yesterday, after years of alternating hope and despair, the noose finally jerked tight around Kockums and with it the entire Swedish merchant shipbuilding industry. It is bitter medicine for what was

once one of the world's premier maritime nations, second only to Japan.

Few other shipbuilding nations have reduced so much capacity so quickly in a desperate attempt to keep afloat and turn a profit on a commercial basis. In 1977, the Swedish Government took over selective shutdowns and capital injection for the remaining operations, the group could better position itself to compete on the world market.

But the market failed to live up to expectations, demand continued to plummet, excess capacity grew and losses mounted. The group has lost an astonishing 600 of its workforce from some 6,000 in the 1970s to 2,300 today — the remaining facilities are among the world's most efficient. But even for such specialised vessels the market remained brutal.

In the last three months, Kockums has seen a number of key orders slip through its fingers. Protectionism, combined with foreign government subsidies of as much as 50 per cent, have battered all remaining hopes.

Late last December, Swedyard announced it has concluded that continued merchant shipbuilding on "commercially acceptable terms" was impossible. Without some SKr 200m in government subsidies annually, Kockums said it would be forced to close.

Some 600 of the Kockums workforce is still profitably engaged in the production of technically advanced conventional submarines for the Swedish navy and some export markets, an activity which is to be continued and developed.

But yesterday's decision in Stockholm represents a long delayed coup de grace for the rest of the shipbuilding activities.

The total SKr 35bn cost of this nine year exercise should offer a sober lesson to decision makers in other European government ministries and shipyards.

Patience and sympathy in the Government finally wore out. In 1983 legislation, the Government stipulated that the yards would have to turn a profit this year or face an end to government aid, and closure.

Kockums staked its future on the production of technically advanced re-ro (roll-on-roll off),

Salem's captain jailed

A GREEK sea captain who admitted sinking a huge oil tanker in what has been called the biggest shipping fraud in history was jailed for 12 years yesterday on charges of causing a shipwreck and embezzlement. Reuter reports from Piraeus.

Dimitris Georgoulis, 49, was captain of the 92,228-ton Salem which sank off west Africa in January, 1980. Shortly after it had delivered 158,000 tonnes of oil from Kuwait to Durban, South Africa, in defiance of sanctions.

He reacted calmly to the verdict and said he would appeal. In his defence, he had denied embezzling oil.

Georgoulis said he believed that Shell Oil Company and the defunct Italian oil company, Fostell, which he said were under contract to procure oil for the Italian state, were party to and not victims of a sanctions-busting oil delivery.

The indictment accused Georgoulis of taking part in the theft of oil from Shell, saying the oil giant was the rightful owner of the cargo he unloaded in Durban at the end of December, 1977, and that he acted against Shell's orders in unloading it.

But Georgoulis told the court: "It was Shell's oil. We unloaded it at Shell's installation in South Africa."

Bruton moves to finance in Irish cabinet reshuffle

BY HUGH CARNEGIE IN DUBLIN

MR JOHN BRUTON, a tough 38-year-old economist, was yesterday appointed Irish Finance Minister to replace Mr Alan Dukes in an unexpected cabinet reshuffle by Dr Garret FitzGerald, the Irish Prime Minister.

None of the 15 ministers were dropped from the Fine Gael-Labour coalition cabinet, but Dr FitzGerald shifted responsibilities between some of them in an effort to recharge the Government, which has flagged badly in recent opinion polls.

Mr Bruton was Finance Minister in a previous coalition which fell in early 1982 when the Government lost a vote on a budget which produced huge public outcry for taxing children's clothing and footwear.

A strong advocate of the present Government's tight austerity policies, he has been a member of the Dail (lower house) since 1980 and is regarded as a close economic adviser to Dr FitzGerald. He now has the task of carrying out economic policy into the next election, due sometime next year.

Mr Dukes moves to the Ministry of Justice, where he takes over from Mr Michael Noonan who in turn assumes responsibility for Industry and Commerce from Mr Bruton. Only two weeks ago Mr Dukes presented his fourth budget in which he shifted taxation but maintained the Government's tight hold on spending.

He had increasingly taken the brunt of public anger over high taxation and the move is seen as a deserved break for him rather than a demotion.

Mr Peter Barry, Foreign Minister whose responsibilities include joint chairmanship of the Anglo-Irish conference, was not affected by the changes.

As Mr Bruton took over at the Finance Ministry the latest review of the economy, by Coopers and Lybrand predicted an improving overall picture in Ireland over the next four years, but with continued increases in unemployment and growth rates held back by the heavy foreign debt burden.

Coopers and Lybrand said unemployment, now 240,000 or 15 per cent of the workforce, was set to rise by 3.5 per cent this year after a 7.7 per cent increase in 1985. The rise in the labour force would outstrip new jobs about 4,000 a year up to 1990.

Gross national product (GNP) was likely to grow by 2.1 per cent this year compared with the dismal 1985 return of just over half a per cent. Over the next four years, the report predicted an average annual GNP growth of 2.4 per cent, but this would be below the OECD average because of Ireland's foreign debt commitments.

A fall in net outflows brightened the balance of payments outlook, leaving a deficit this year of IE 310m (£280m) compared with IE450m in 1985 and IE 837m in 1984.

Overall, exchange rate and oil price trends posed major uncertainties for the economy, the report said.

Call for investigation into Spanish holiday home fraud

BY DAVID WHITE IN MADRID

A CAMPAIGN is under way in the European Parliament to combat fraudulent sales of holiday and retirement homes in Spain, believed to involve several hundred million pounds.

Mr Edward McMillan-Scott, British Conservative Euro-MP, said after a meeting with Spanish and Danish colleagues in Madrid that the three groups would work together to press for an investigation by the Parliament with the aim that this should lead to a blacklist being drawn up of estate agents alleged to have defrauded would-be buyers of Spanish property.

Claiming that the fraud cases, most of them involving mainly Spanish property companies, ran into tens of thousands, Mr McMillan-Scott said an investigation appeared to be the only way foreign purchasers could hope for redress or protection.

In some instances, the same property had been sold dozens of times over, he said. Apparently valid property deeds were found to be worthless because they had not been officially registered in Spain. Many British buyers had been persuaded they could save on tax by paying for their Spanish flats or villas in the UK, often in breach of the law.

Besides Britons, Spain also has large colonies of Germans, Dutch and Scandinavians.

Mr McMillan-Scott produced an example of a phony sales leaflet issued by a London company, in which he said the photographs of property on offer had been lifted from another company's brochure.

He said he had discussed the issue with a senior Spanish consumer affairs official, who had promised to collaborate with the tourism and housing authorities to try to combat confidence tricksters. He had also urged the European Commission to draw up a guide for buying property in the Community.

Mr Per Svensson, president of Spain's Foreign Property Owners' Institute, said there were now about 50,000 new purchasers a year — up to half of them British — and that one in 10 met with serious problems and almost one in two with problems of one sort or another.

Danish civil servants 'misused' claims Opposition

BY HILARY BARNES IN COPENHAGEN

DENMARK'S Opposition Social Democratic Party has accused the coalition Government of misusing civil servants for political ends as the campaign ahead of Denmark's February 27 referendum enters its final stages. Voters in the referendum will be asked to accept or reject reforms of the EEC agreed by the heads of government in December.

A crucial ambiguity about what the referendum is really about has led to a mutual exchange of abuse between Prime Minister Poul Schluter and his ministers and the Social Democratic leaders.

According to the Opposition, the referendum is about the forms and nothing more. "The referendum is over the reforms and will not affect our membership of the Community. The other members may be irritated with us for a while, but within a few months it will all be over and forgotten," according to Mr Ivar Nergaard, the Social Democratic market affairs spokesman.

It is formally correct that the referendum is about the reforms, but Mr Schluter argues that in reality "it is our membership of the EEC which is at stake. If we say no to the reforms we are taking the first step out."

The campaign controversy this week has focused on two papers prepared by senior officials in the central administration. The first analyses the economic consequences of Denmark's withdrawal from the EEC, the second analyses the more immediate consequences of rejecting the reforms.

The papers were written at political direction," accused Mr Svend Auken, deputy chairman of the Social Democratic Party. "This is an abuse of the civil service for political ends."

The first paper pointed out that withdrawal would have catastrophic consequences for agriculture and fisheries and related food processing industries,

Denmark's current account deficit soared to a record DKr 28bn (£2.2bn) in 1985, according to preliminary figures published by the Bureau of Statistics.

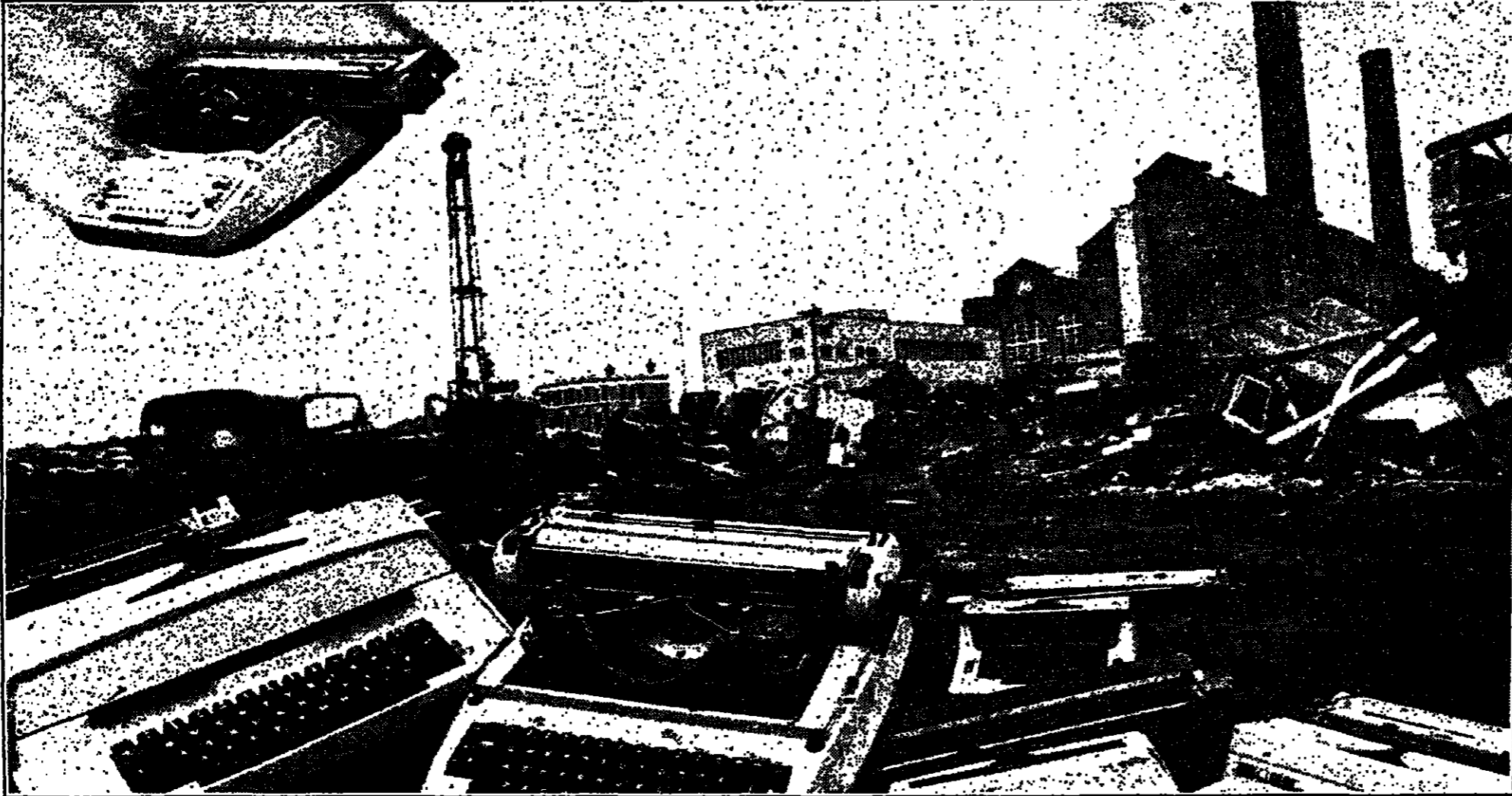
The deficit, which equals about 4.8 per cent of last year's gross domestic product, was about twice as large as forecast by the Government at the beginning of last year.

Last year's deficit compared with a deficit in 1984 of DKr 17.7bn which together account for about a third of Denmark's merchandise exports. These products would be denied access to community markets and would lose the EEC export subsidies.

The second paper argued that Denmark will be subjected to mounting political and economic isolation in the Community if it turns down the reforms.

"An interesting paper," said Mr Auken in a clash with the Prime Minister in the Folketing (Parliament) on Wednesday. "Officials explain in this paper that the other members cannot throw us out of the Community for saying no."

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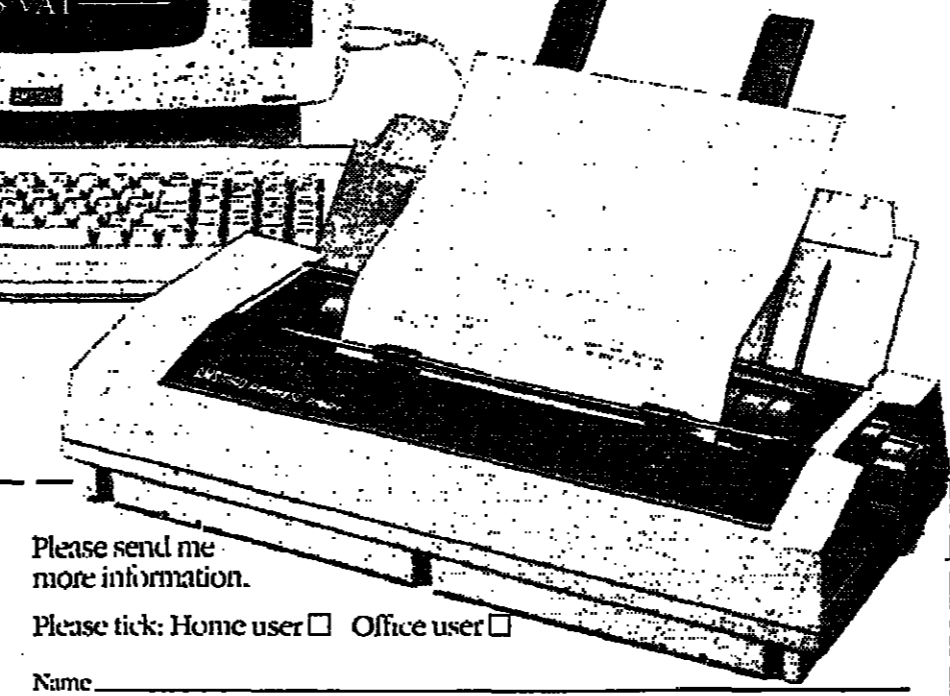


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wide on-site service and maintenance contracts which can easily be arranged. All of which puts the ordinary office typewriter firmly in its place. The place featured in the picture above.



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EUROPEAN NEWS

Greece criticises EEC move on link with Turkey

BY ANDRIANA HERODIACONOY IN ATHENS

THE GREEK Government yesterday lashed out against Britain and the Netherlands for trying to improve Turkey's relations with the European Community...

Ankara fields top economic team for Ozal's UK visit

BY DAVID BARCHARD IN ANKARA

NEXT WEEK'S visit to London by the Turkish Prime Minister, Mr Turgut Ozal, is more than just an attempt to set the seal on his country's move towards parliamentary democracy since 1983...

European head of government to visit Turkey. Outwardly cordial, the visit was in fact marred by private tensions.

A greater role for Turkey in the European Community should top the agenda in talks next week between Prime Minister Turgut Ozal (right) and Mrs Margaret Thatcher.



visit will probably be Mr Ozal's efforts to get Mrs Thatcher to take up Turkey's case in Western Europe and in particular in the European Community.

Mr Ozal's sights, however, are set on much longer term goals. He is under firm pressure from the Istanbul industrial world to lead Turkey towards full membership of the EEC.

Mr Ozal's men have probably come to the conclusion that an application in the present calendar year would be counterproductive as it would find no backer and would almost certainly founder on a Greek veto.

Prague admits shortfall in economic performance

BY LESLIE COLTJN IN BERLIN

CZECHOSLOVAKIA has acknowledged serious shortcomings in economic performance last year which were not reflected in the main published indicators.

National income (equal to GNP minus services) rose 3.3 per cent and was slightly higher than the plan.

Hard currency exports rose 0.6 per cent—also higher than the modest target—but the federal statistical office noted that the "efficiency" of foreign trade failed to improve.

The statistical report said products rated as having light technical and economic standards accounted for 15 per cent of total industrial production.

Natural disaster insurance losses set record in 1985

BY JOHN WICKS IN ZURICH

HURRICANES and storms in the US made 1985 the worst year on record for insurance losses due to natural disasters.

The US insured damage in this sector totalled over \$2.6bn (£1.95bn), 25 per cent up on the previous record set in 1983.

The worst human catastrophes were the Colombian earthquake in which 23,000 lives, a typhoon and flash flood in Bangladesh with an estimated 11,000 deaths and the Mexico City earthquake, which killed more than 5,000.

Swiss GDP expected to rise by 2% this year

BY OUR ZURICH CORRESPONDENT

THE SWISS economy will continue to grow this year, though probably at a rather slower rate than the "unexpectedly sharp increase" last year.

Gross domestic product, which went up in real terms by 3.8 per cent in 1985, is seen as rising by a "good" 2 per cent this year.

Elsewhere, the increase in price-adjusted government spending is seen as dropping to 1.5 per cent and that in total domestic investments—following zero growth in the building sector—to 1.9 per cent.

In foreign trade, both imports and exports are expected to rise by real 5.3 per cent, including invisibles. The sur-

Fulfillment of the industrial production plan last year was described as irregular. The number of companies which failed to fulfil the gross output plan, 25.4 per cent, was greater than 1984.

Total industrial exports to the West rose only 0.5 per cent, while industrial sales to Comecon increased 7 per cent. Shortcomings were also said to have persisted in "supplier-user relations."

Nuclear power stations produced 14.6 per cent of total electricity generated last year, which appeared to be on target despite serious delays in completion of projects.

The key sectors of electrical engineering and electronics boosted output by 8 per cent last year, 0.2 per cent over target. This was a result of the "uneven fulfilment" of output targets in many factories and the "slow adaptation" of production to the needs of the economy.

Nuclear power stations produced 14.6 per cent of total electricity generated last year, which appeared to be on target despite serious delays in completion of projects.

Other major air disasters included the Air India crash off Ireland with 329 deaths and a total of \$135m hull and liability loss, and the Arrow Air accident on Newfoundland with 258 fatalities and total claims of \$155m.

Marine, fire and other insurance sectors showed losses "within the bounds of previous years." Major claims were those of \$100m for a warehouse fire at Elizabeth, New Jersey, and DM 120m (\$285m) for an offshore oil rig at Wessling, West Germany.

The worst traffic and waterborne disasters were the 449 killed in an Ethiopian train crash, some 174 lost in a Chinese ferry accident and over 100 deaths from a Bangladesh train fire.

plus on current account is seen as improving further, from an estimated SwF 9.55bn (£3.44bn) last year to a record SwF 11.3bn in 1986.

The overall expansion of the economy should lead to a 3 per cent rise in industrial production, which could be accompanied by a further 1.5 per cent improvement in productivity.

Geneva arms talks Senator Ted Stevens, Republican of Alaska, is leading a US Senate observer delegation to arms talks taking place in Geneva this week.

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AMERICAN NEWS

Price fall forces austerity on US oil groups

BY WILLIAM HALL IN NEW YORK

THE RECENT collapse in world oil prices will reduce US oil industry revenues by over \$300m (£110m)...

\$15.88 and several analysts at the Exchange's seminar predicted that prices would fall further.

Mr Charles T. Maxwell, a leading New York oil analyst and a vice chairman of New York brokers Cyrus J. Lawrence...

The oil price decline may be having a dramatic impact on the financial fortunes of US oil companies...

S. African police use 'excessive force'

A US Government human rights report said yesterday that South African police have been using excessive force in dealing with black unrest...

Sarney preserves political balance in Cabinet reshuffle

BY RICHARD FOSTER IN BRASILIA

BRASILIA'S President Jose Sarney yesterday announced a reshuffle of one-third of his 27-member cabinet...

Venezuela wins quick deal on rescheduling

By Peter Montagnon, Euromarkets Correspondent

VENUEZUELA has agreed to sign its \$21.2bn (£15bn) rescheduling agreement with commercial banks as planned on February 26...

Bankers are uneasy after the oil price fall, reports Peter Montagnon Crisis looms on Mexican debt

BY PETER MONTAGNON

A DEEP SENSE of unease has gripped the international banking community over the problem of Mexico's \$97bn foreign debt...



Herzog: under pressure

since there is still little or no evidence of a willingness on the part of industrial governments to step in with extra cash...

Mexico could need up to \$9bn in foreign finance this year. This is more than double the previous estimate of \$4bn.

However, the committee of leading creditors chaired by Citibank feels the new estimates are too high. The figures assume an average interest rate on foreign debt of 10.2 per cent...

US retail sales growth falls to 0.1% in January

US retail sales rose 0.1 per cent in January, down from December's sharp 1.7 per cent increase, the Commerce Department said yesterday.

OVERSEAS NEWS

S. Africa denies change in policy over Namibia

BY ANTHONY ROBINSON IN JOHANNESBURG

MR PIK BOTHA, the South African Foreign Minister, yesterday squashed speculation that his talks with a US delegation led by Mr Chester Crocker...

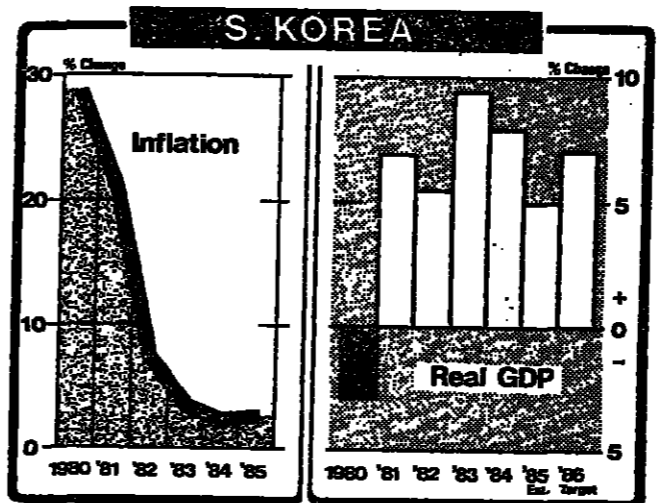
Chemical weapons claims in Gulf war

By Kathy Evans on the Kuwait border

IRAQI TROOPS yesterday launched a two-pronged counter-offensive against Iranian forces south east of Basra...

Steven B. Butler explains why businessmen are happy about Seoul's policy change South Korea signals new economic direction

AT A RECENT reception for foreign bankers in Seoul, South Korea's newly appointed Deputy Prime Minister for economic planning, Mr Kim Min-ki...



Mr Kim struck a new tone in a series of public statements. He has never eschewed his predecessor's stress on the importance of price and monetary stability...

longer can it hope to compete internationally solely on the strength of low wages. Yet businessmen have hesitated to invest in the business outlook and the high cost of money.

Some argue that given the stakes involved, South Korea will continue to need a Japanese-style industrial policy with the Government quietly bringing private business together for major industrial initiatives...

Marcos offers Aquino a conciliatory hand

BY CHRIS SHERWELL IN MANILA

PRESIDENT Ferdinand Marcos tried yesterday to extend a conciliatory hand to Mrs Corason Aquino, his challenger in last Friday's disputed elections in the Philippines...

Dr Alex Boraine, a leading left-wing member of the white opposition Progressive Federal Party (PFP) yesterday announced his decision to follow the example of Dr Fredrick van Zyl Slabbert...

Singapore recovery plan includes tax cuts proposal

BY OUR SINGAPORE CORRESPONDENT

SINGAPORE'S specially-commissioned economic committee yesterday recommended sharp tax cuts and wage-cost reductions as part of its plan to lead Singapore out of its deep economic recession.

Brigadier General Lee Hsien Loong, son of Prime Minister Lee Kuan Yew, and its recommendations are expected to form the basis of official government policy in the coming months.

will lead to a lower standard of living in Singapore in the short term. The committee's work has also brought General Lee into greater public prominence...

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Our opinion is that Argyll, on the other hand, would make a less than perfect fit with Distillers.

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And they have little or no experience of the stiff competition encountered in today's international drinks market.

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NOTICE OF REDEMPTION

To the Holders of

INTERNATIONAL STANDARD ELECTRIC CORPORATION

12% Sinking Fund Bonds due 1996

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Indenture dated as of March 15, 1984 (the "Indenture"), between International Standard Electric Corporation and Bankers Trust Company, Trustee, that \$6,962,000 principal amount of International Standard Electric Corporation 12% Sinking Fund Bonds due March 15, 1996 (the "Bonds") have been selected by the

Trustee for redemption on March 15, 1986 at the principal amount thereof in accordance with the Sinking Fund provided for in Section 3.06 of the Indenture. The following are the serial numbers of the Bonds which will be redeemed in whole.

Table listing serial numbers of bonds to be redeemed, organized in columns. The numbers range from 1 to 9620.

Accordingly, on March 15, 1986 the Bonds so designated for redemption will become due. Payment will be made upon presentation and surrender thereof of the above Bonds at one hundred percent (100%) of the principal amount thereof in United States dollars, at the option of the holder, subject to any applicable laws or regulations in the country where each of the following offices are located, at the City Offices of Bankers Trust London, at the main office of Bankers Trust Company in Paris, at the office of Bankers Trust GmbH in Frankfurt, at the office of Banque du Benelux S.A. in Brussels, at the office of Banque Generale du Luxembourg S.A. in Luxembourg or at the office of Swiss

Bank Corporation in Basle. In accordance with Section 7 of the Bond, the Bonds designated for redemption will be payable on the Business Day (as defined in the Indenture) following March 15, 1986, at any one of the Paying Agents listed above.

The redeemed Bonds should be presented with all coupons maturing after March 15, 1986. Coupons maturing on March 15, 1986 and prior thereto should be detached and surrendered for payment in the usual manner. From and after March 15, 1986 interest on redeemed Bonds will cease to accrue.

INTERNATIONAL STANDARD ELECTRIC CORPORATION

By: BANKERS TRUST COMPANY, Trustee

Dated: February 14, 1986

UK hope of winning India steel plant deal depends on aid

BY JOHN ELLIOTT IN NEW DELHI

BRITISH COMPANIES may have the opportunity soon to carry out a major steelworks modernisation project in India if the British Government agrees to provide between about \$100m and \$200m.

The project is at the Durgapur works in West Bengal built by British 22 years ago, which is one of three major integrated steelworks that India intends to modernise soon.

The others are the Rourkela Steelworks, which may be supported by World Bank funds and the Burnpur plant of the Indian Iron and Steel Company (IISCO), for which aid of about \$500m is being discussed with Japan.

These projects mooted in 1983 are now being revived. India is to concentrate on maximising output from existing steelworks during the next five years, instead of building any new integrated works.

The UK offered aid of up to \$100m in 1983 for the British Steel Corporation to take on the work at Durgapur, then thought to be worth up to \$500m, backed by Davy McKee which had just lost a £1.25bn turnkey contract to build a new integrated steelworks in Orissa. The Indian authorities said the £100m aid offer lapsed.

The British Government might decide not to make a new offer of aid, partly because funds are committed to other contracts such as Westland Helicopters for India, and partly because there may not be sufficient guarantees of follow-on work for Britain.

The Steel Authority of India is believed to favour negotiating a consultancy and three-to-four-year turnkey contract with British Steel, and would probably set full Indian Government approval is sufficient aid were put up.

But some senior Indian officials and advisers, who last year prepared as many as 40 different contract packages for the modernisation at Durgapur, believe the project should go out to global tender because technology would be needed from several countries.

Aid could then be sought from the winning countries. Japanese companies have already shown an interest in being involved.

The output of the works has declined from about 1m tonnes to 700,000 tonnes a year and India's steel authority wants to raise this to 1m-1.2m tonnes.

About Rs 6.5bn (\$400m) have been allocated for Durgapur in India's new Five-Year Plan, but Rs 3bn-Rs 4bn more are estimated to be needed in aid to cover foreign exchange costs.

Christian Tyler adds: British aid officials will be looking for more details of the Indian plans as talks are to start in New Delhi on February 25.

There is not much enthusiasm in London for the Durgapur steelworks, which was never regarded by the UK as economically viable. The Indian authorities came up with a sound-looking scheme, Britain would rather spend its aid money on other projects such as coal, power-generation and water treatment.

There is also considerable interest in the development of a mine and zinc smelter for Hindustan Zinc. An appraisal mission for this project is due to leave the UK shortly.

British aid to India has been running at well over £100m in recent years. India is the single biggest beneficiary of the money distributed by the Overseas Development Administration.

West German sales to China more than double

BY LESLIE COLT IN BERLIN

WEST GERMANY'S exports to China, one of the fastest growing markets for its industry, more than doubled last year to DM 6.4bn (£1.6bn).

This compared with a slight fall in 1984 when the Soviet Union to DM 10.5bn. It was the second successive year exports to Moscow dropped. The decline, however, was less severe than experienced by other Western countries.

West German exports to the Soviet Union's Comecon partners in Eastern Europe continued to rise despite the problems several of them were having with their western debts.

The figures reflect what German businessmen have been saying for more than a year.

Business with China while the Soviet Union has been holding off on large purchases of plant and equipment. Moscow is still drawing up the Five-Year Plan for 1986-1990 which will determine whether the emphasis will be on structural changes in the economy leaving less room for large industrial projects supplied by the West.

The Germans are worried that Moscow's falling hard currency earnings from its oil sales in the West could lead to a further drop in exports to the Soviet Union and other countries of the Organisation for Economic Co-operation and Development.

There is a dramatic rise in West German exports to China was partly accounted for by contracts such as the hot rolling mill at Baoshan and other plant and equipment contracts concluded in 1984 and 1985. Half of West Germany's exports to China normally consist of plant, machinery and vehicles.

West German traders in China have long enjoyed an advantage over their rivals. It stemmed from the contracts they signed with the Chinese before the World War I in which they were the first to recognise their Chinese partners as equals.

West German sales to Eastern Europe, where Bonn has led OECD since the early 1960s, continued to rise. Despite Poland's serious debt problems, it boosted imports from West Germany by more than DM 500m last year.

Hungary, too, sizeably increased its imports from West Germany while Bulgaria took nearly DM 300m more in West German goods than in 1984.

Poland boosts exports to Britain by 20%

BY PETER MONTAGNON

POLAND'S exports to Britain rose 20 per cent to £320.2m last year—much faster than the overall increase in exports to the West which was only 5.4 per cent, a senior Polish official said in London yesterday.

With British exports to Poland rising 8.4 per cent to £184.1m, this left Poland with a surplus in its trade with Britain of £136.1m, according to Mr Zygmunt Krolac, Commercial Minister at the Polish embassy.

Coal sales, amounting to some 1.4m tonnes, had not dropped since the end of last year's British miners' strike because of the high content of specialist coking coal, he declared.

Mr Krolac said he expected the 17 British companies with offices in Poland to take early advantage of a new law before the Polish parliament which will allow foreign concerns to enter joint ventures with Polish companies so long as their stake did not exceed 49 per cent.

The law should be passed within the next two months. Although there would be no immediate rush of foreign investment inflows, this would pave the way for consideration of mechanisms to transfer some of Poland's foreign debt into equity along the lines already operated by some Latin American countries.

Mr Krolac said he expected a further increase in Poland's trade with Britain this year, although he warned that continuing debt problems with the West meant that it was now concentrating more efforts on trade with its Comecon partners.

India trade deficit soars

BY K. K. SHARMA IN NEW DELHI

INDIA'S trade deficit in the first half of this financial year soared to Rs 41.24bn (£2.5bn), mainly because the country has ceased to export crude oil.

Mr P. Shiv Shankar, Commerce Minister, said exports for the half-year were worth Rs 50.18bn, a decline of 0.7 per cent compared with the first half of the previous year.

Even though exports of many items increased, India ceased to export crude from its Bombay High offshore field because it had now established refining capacity to deal with crude produced there.

Imports during April-September, 1985, were worth Rs 91.42bn, a sharp rise from Rs 73.45bn in the same months of 1984. This was mainly because of an increase in imports of fertilisers, cooking oil, sugar, petroleum products and non-ferrous metals.

The minister expected that imports would decline in the second half of the financial year because orders for such bulk goods as fertilisers had been completed in the first half. For this reason, the trade deficit was expected to be proportionately less over the year as a whole.

Battle for Canadian defence deal

BY BERNARD SIMON IN TORONTO

A HOTLY contested bid between one Swedish and two Swiss-led consortia to supply a low-level air defence system to the Canadian armed forces has reinforced Ottawa's reputation for getting its pound of flesh from foreign contractors.

The merits of the three bidders' weapons systems have at times been overshadowed by the array of "industrial benefits" each is offering in its efforts to secure the C\$605m (£307m) contract.

The Canadian Government, widely acknowledged as a pioneer in the art of negotiating industrial offsets for official contracts, has made clear that assurances of new factories in industrially backward provinces, export openings, technology transfers to Canada and joint ventures with Canadian companies will play an important part in the award of the contract.

Each of the three groups has gone to remarkable lengths to oblige, and in the process each has tried to ally itself with the widest possible range of lobby groups to press its case in Ottawa.

The Government expects to make its choice by late March or early April between proposals submitted by Bofors Ordnance of Sweden, and the two Swiss weapons suppliers Oerlikon-Bührle and Contraves. According to a senior defence officer, evaluation of the bids is "nearly finished."

The air defence system, the largest defence order placed by Canada in several years, is needed to protect two Canadian air bases and a mechanised brigade group in West Germany. A brigade stationed in Canada which would be deployed as part of Nato's defence of Norway would also be protected. The bidders expect the Canadian order to open the door to similar contracts in several other countries, notably the US.

The proposal by Oerlikon and its main partner, Litton Systems Canada is based on the new air defence anti-tank missile system (Adats) designed in partnership with the US company Martin Marietta.

The other two proposals combine missiles and guns. Bofors, whose partners include Canadian Marconi (52 per cent owned by GEC of Britain) and Ericsson of Sweden, has put forward its 40mm Trinity armoured gun and RBS-70 armoured missile. Contraves, in partnership with Raytheon Canada, is combining a 35mm gun and Sparrow missile with a Skyguard fire-control system.

The Contraves group has taken the lowest profile among the three bidders. Beyond confirming that industrial benefits are "a major part of the proposals," a Raytheon official says "we prefer to remain silent."

The other two companies have taken this to mean that Contraves has not offered to build any new plants in Canada. Instead, according to local reports, it has brought in the US trading group Sears World Trade, which has offered to set up an office in Canada and act as a broker and promoter for Canadian exports.

Despite its low public profile, Contraves has retained one of Canada's best-connected public relations companies, Public Affairs International (PAI), to press its case in Ottawa. PAI's chairman was in charge of transition arrangements when the present Progressive Conservative Government came to office in 1984.

By contrast, Oerlikon and Litton have issued a steady barrage of press releases extolling the virtues of their proposal, notably the expected creation of 2,700 new jobs.

The radar factory which Litton plans to build on Prince Edward Island if the Oerlikon consortium wins would be the biggest industrial investment in the province. An Oerlikon subsidiary, Oerlikon Aerospace, has proposed putting up a vehicle assembly plant in Quebec. Western Canada has been promised missile testing facilities in Alberta.

Oerlikon and its partners estimate that exports of components made in Canada for the air defence system will reach C\$1bn over the next 15-20 years, 10 times the value of the local content in the system to be delivered to the Canadian armed forces. They claim that their bid, which is based on a system not yet in production, offers the highest Canadian content of the three.

Japan to renew US vehicle export curb

BY CARLA RAPOPORT IN TOKYO

JAPAN is to maintain voluntary restraints on vehicle exports to the US for another year to help ease trade friction between the two countries.

The move, announced by the Ministry for International Trade and Industry (MITI) officials, will hold exports to the US to 2.3m units in the year beginning this April. The restraint ceiling, which has been in place for five years, was raised to 2.3m units last year from 1.85m units for each of the previous four years.

MITI said yesterday that vehicle exports accounted for nearly one-third of the increase in the US trade deficit in Japan last year, which hit a record \$49.7bn (£29bn).

It is understood that without the restraints, vehicle exports to the US this year were set to rise by about 20 per cent in unit terms.

Asked whether voluntary restraints would continue indefinitely, a MITI official said yesterday: "The US should not see voluntary restraints as a right."

Reaction among the major Japanese automakers in yesterday's announcement was mixed.

Mr Yutaka Kume, president of Nissan Motor, said the decision was made "for political reasons rather than from the viewpoint of industrial issues."

The original purpose of the restraints—relief for the US automotive industry—had been achieved, he claimed.

Mr Kenichi Yamamoto, Mazda's president said, considering the imbalance and political situation between the two nations, it would be difficult to avoid continuing the current voluntary restraints for 1986.

A Toyota official, Japan's largest vehicle maker, said the restrictions hinder free competition and would eventually weaken the automobile industry as a whole.

HITACHI, one of Japan's leading consumer electronics companies, has won an order for 15 computer systems from the People's Bank of China in a deal said to be worth between \$25m and \$30m (£17.5m and £21.4m), Carla Rapoport reports.

This is believed to be the first Chinese deal involving major computer systems since the Comecon ban on exports of computers was lifted in January.

Hitachi said yesterday that the order from the central bank could be the first step toward selling systems to banks across China.

As at September last year, Hitachi had sold a total of 100 computer systems to China, and total sales in the year ending last March were worth ¥87bn (£263m).

automotive industry—had been achieved, he claimed.

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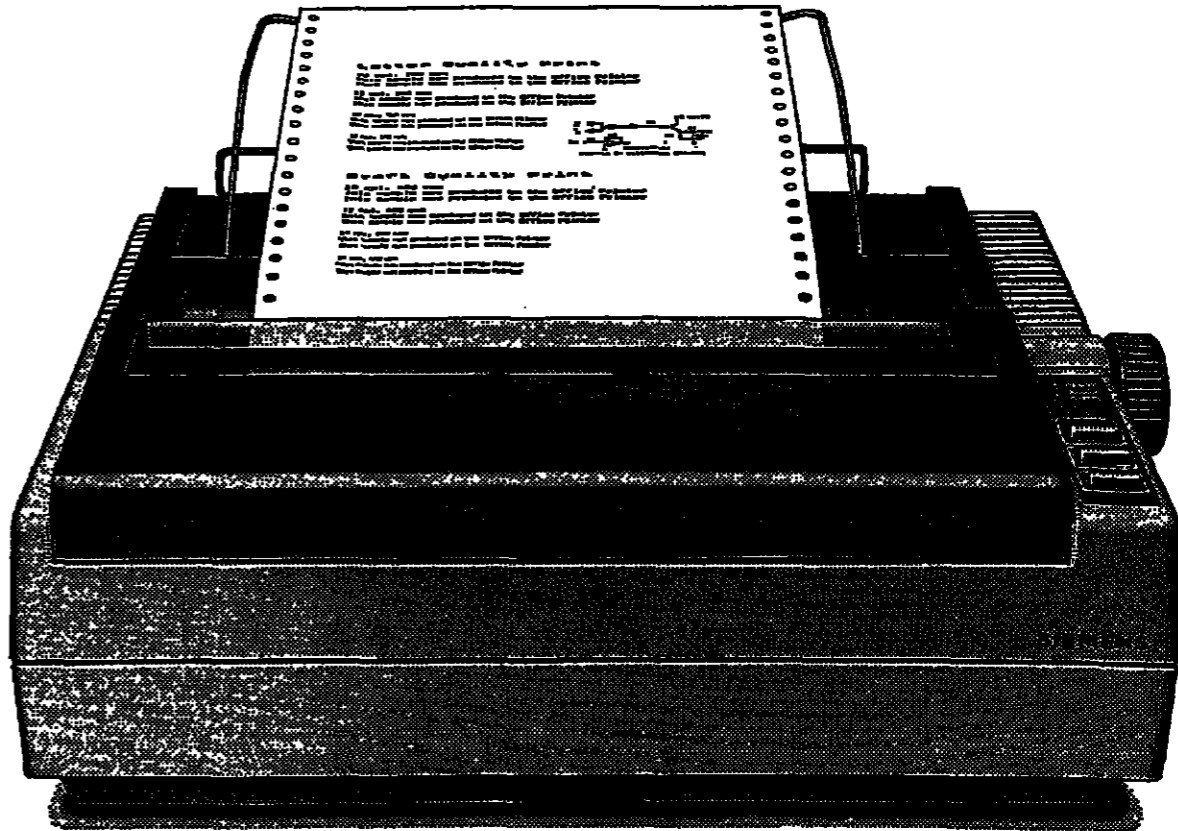
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Handwritten text in Arabic script: "سكندرية الجبل"

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calendar year 1985. While most of
the computer industry was strug-
gling, Prime just kept growing.*

*We created over 800 new jobs.
Our sales increased by 20%—we
are above our competition. Our earn-
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second year in a row. And our
return on equity of 16% would
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even in a boom year.*

*What explains our unique
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because of our past investments
in research and development. Or
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strategies.*

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it's just a continuation of our
previous 13 years of steady growth
at 19% or better.*

*But the best explanation would
probably come from our cus-
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simply offers the most timely, cost-
effective solutions in the computer
industry.*

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performance we offer in every
kind of system, from the office to
the computer room. And our
leading software for key applica-
tions such as CAD/CAM and data
base management.*

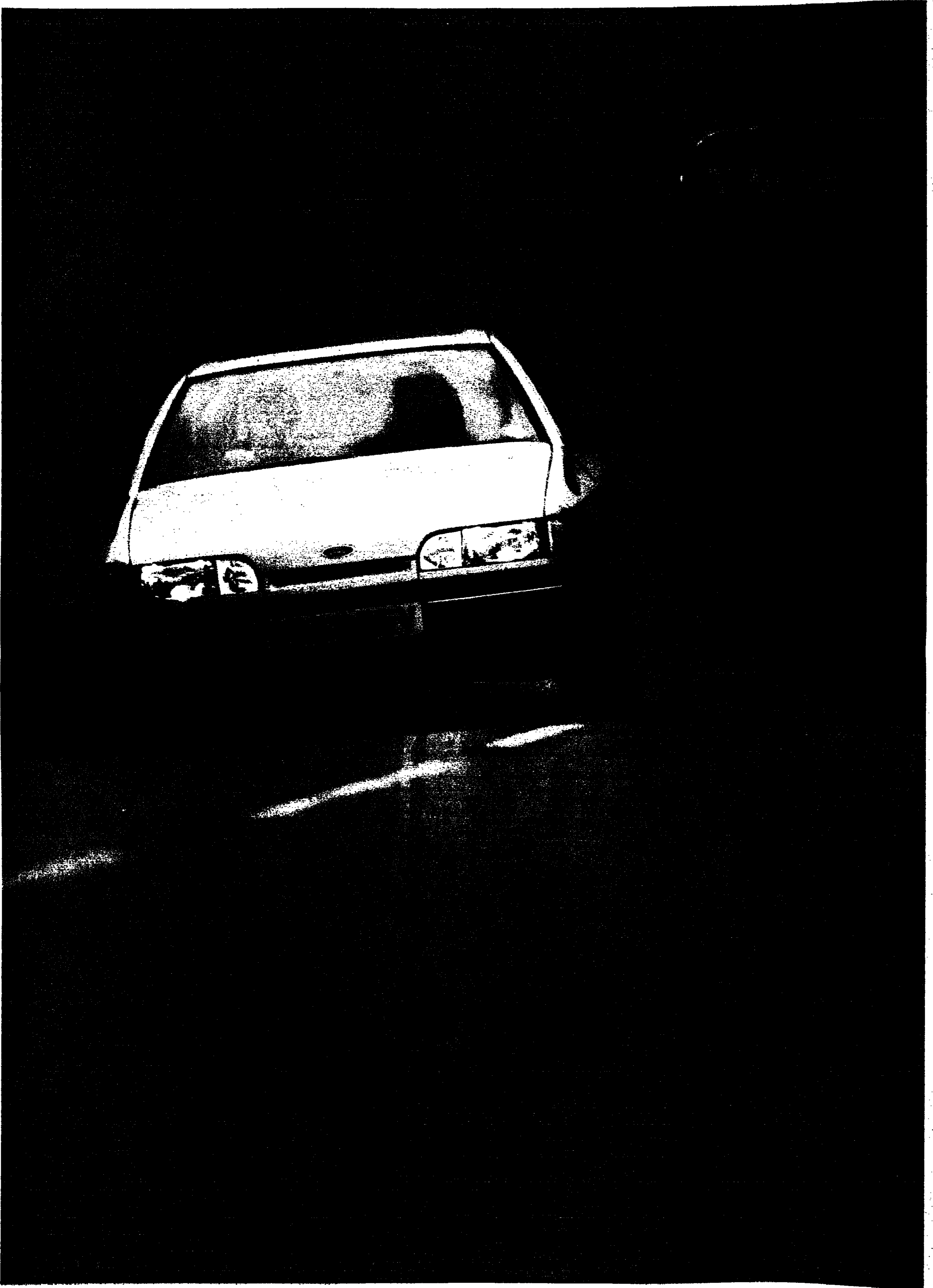
*All of which means that Prime
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farther and faster in the years
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head and shoulders above the
rest?*

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Chances are you've never driven a car with ABS. Most people haven't. They're still comparatively rare. Furthermore, you're probably perfectly satisfied with the brakes you have already. No doubt they're excellent.

So why are Ford so enthusiastic about the ABS anti-lock system? What exactly is the advantage? To be perfectly frank, ninety nine percent of the time you won't notice the difference. ABS brakes feel exactly the same as any other disc brake system.

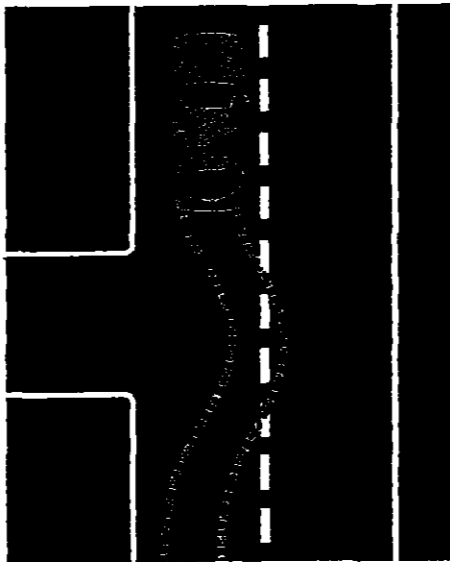
It's only in an out-and-out emergency that ABS comes into play. But when that happens, the system is extraordinarily effective.

Imagine yourself in the situation on the left.

You're cruising along a country lane, minding your own business, when, suddenly, a tractor bursts out of a gateway giving you no chance to stop. Maybe the driver's foot slipped off the clutch, or something as innocent as that.

Naturally enough, your first reaction is to stand on the brakes.

In fact, unless you're a brilliant driver, you'll probably brake too hard and lock the wheels. And everyone knows what happens then. No matter which way you steer, you skid straight on.



Even with the brakes full on you can steer without skidding.

The ABS system is designed to help stop that happening.

The system is equipped with tiny sensors which monitor the brakes on all four wheels. When you brake really hard, they can 'feel' if a wheel begins to lock and momentarily release and re-apply the brakes.

It can do this at lightning speed – anything up to 15 times a second.

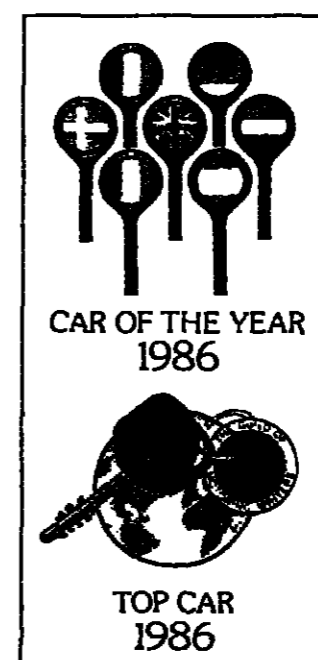
This stops the wheels locking, so instead of skidding across the surface, your tyres should bite into it.

That way you can make the most of the grip available and there's every chance that you'll be able to steer out of trouble. All you feel is a slight pulse in the pedal which tells you that the ABS is working.

We think that ABS is the most significant advance in braking systems since the invention of discs. In fact, it was one reason why the Granada was voted 'Car of the Year, 1986'. So you won't be surprised to hear that, more than any other manufacturer, Ford is committed to making anti-lock brakes available to far more people.

ABS is already an option on the Sierra XR4x4. And, far more interestingly, we have now perfected a new mechanical system for front wheel drive cars as well. This will be an option on certain of the 1986 Escorts and Orions.

And, knowing Ford, the story won't stop there.



GRANADA



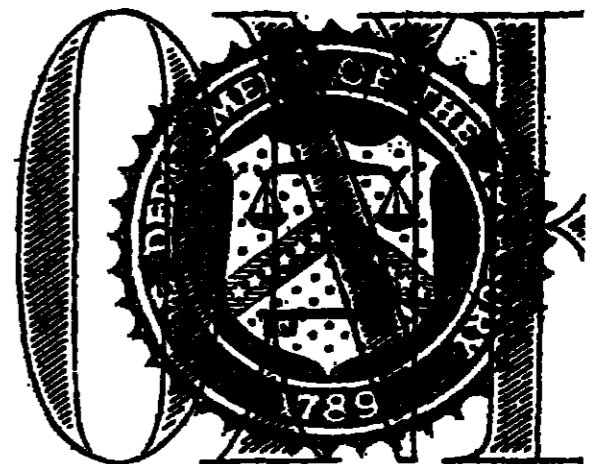
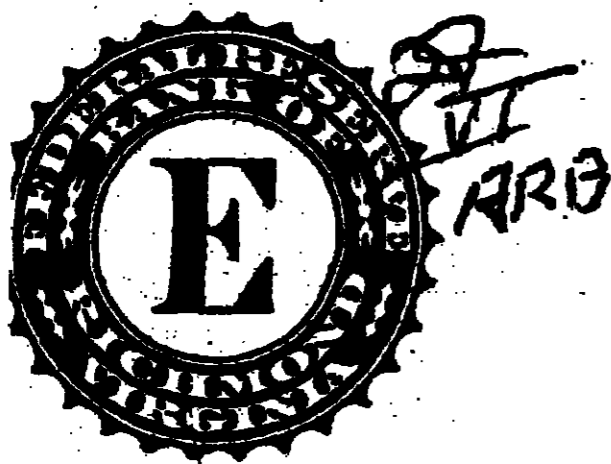
Hanson's US profits. Are they a patch on what they seem?



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SERIES 1985

James A. Baker

President of the United States

Secretary of the Treasury

ONE DOLLAR

In 1985, nearly half Hanson Trust's profits came from its US arm - Hanson Industries.

Between 1980 and 1985, Hanson Industries' profits increased by an apparently impressive £111 million.

But are they really what they seem?

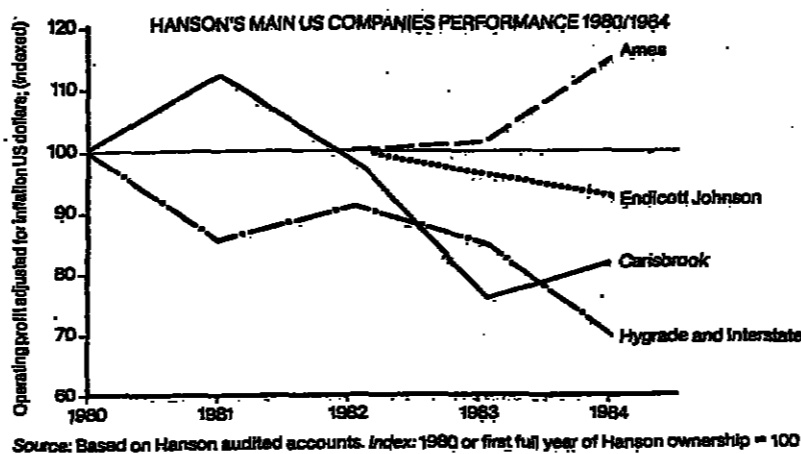
£96 million of that £111m. came from profits bought in - through acquisition.

A further £9m. came from the fortune of dollar/sterling exchange rates.

Which leaves £6m., a sad little 6%, from organic growth. Then take out inflation and we find that, in real terms, Hanson Industries' organic profits went

backwards between 1980 and 1985.

This chart shows company-by-company performance, 1980 to 1984 (the latest available full figures):



Source: Based on Hanson audited accounts. Index: 1980 or first full year of Hanson ownership = 100

Bleak figures: and maybe more to come?

Hanson Industries now owns a com-

pany called US Industries. Sir Gordon White, Chairman of HI, has a plan for US Industries: to apply "the same sound business principles that have brought uninterrupted growth and profitability to the different businesses acquired by us since 1973."

Sound? Uninterrupted? Growth? At least US Industries has been warned.

The Imperial way is to grow its own profit. Even in the States, that is not the Hanson way.



The sources for the information contained in this advertisement are set out or referred to in the press release issued by Hambros Bank Limited on behalf of Imperial Group plc, on the 10th February 1986. The directors of Imperial Group plc (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts stated and opinions expressed are fair and accurate. The directors accepted responsibility accordingly.

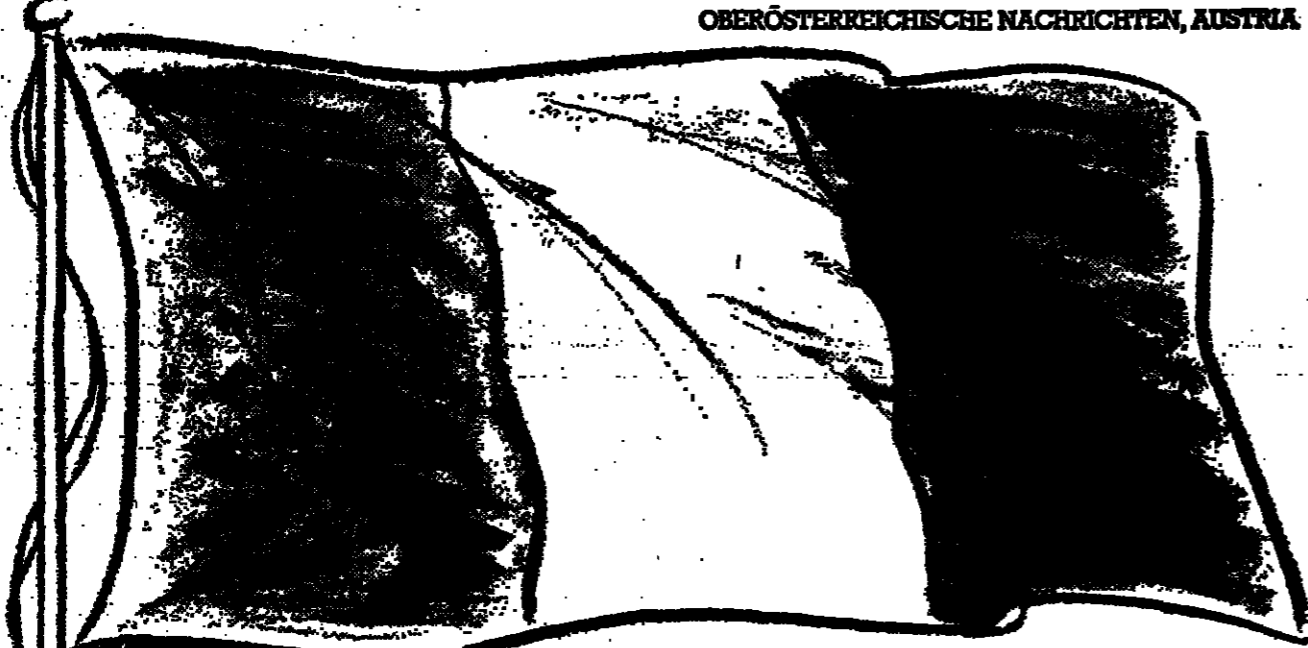
Management abstracts
Christopher Lee
The XP deserves to succeed... and certainly shows that PC software can operate even better when given the right machine.
WHICH COMPUTER? UK
Its rapid 80286 processor and comprehensive features will teach the competition the meaning of fear
OBERÖSTERREICHISCHE NACHRICHTEN, AUSTRIA
The XP operates 350 per cent faster than the IBM PC XT and 125 per cent faster than the IBM PC AT
LOGICIELS ET SERVICES, FRANCE
The fastest PC in the world
TECHNISCHE RUNDschau, SWITZERLAND
I would rather have an IIT Xtra XP on my desk than an IBM PC AT
PC MAGAZINE, USA



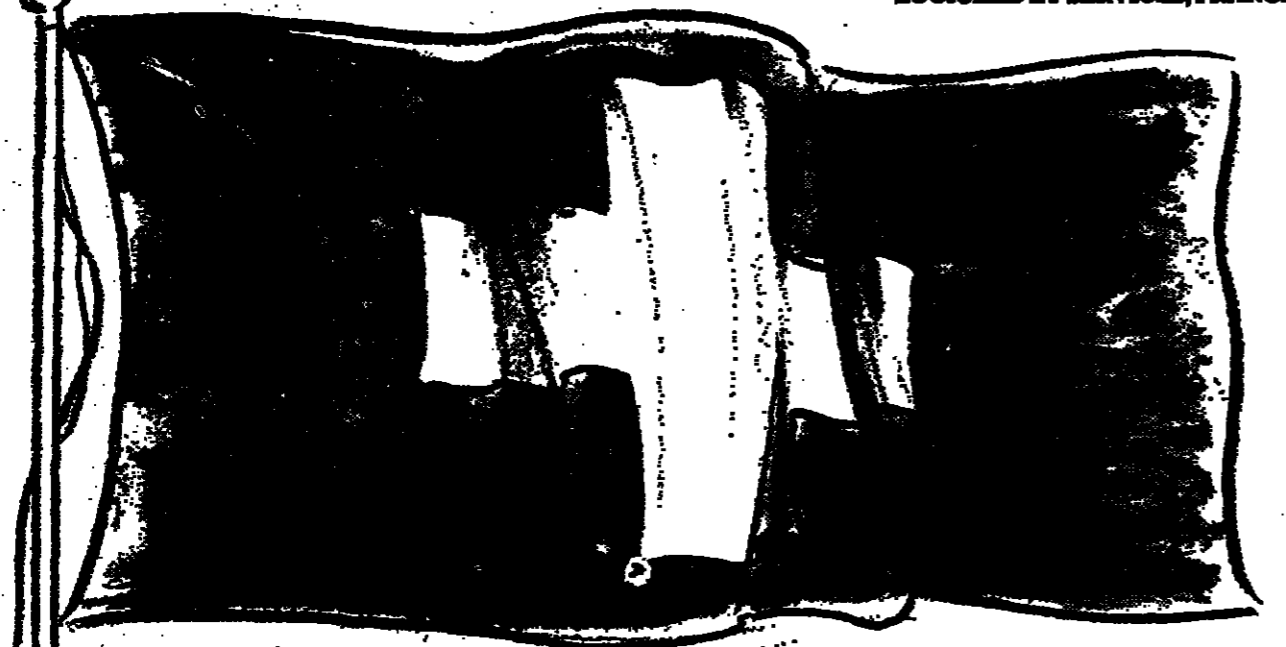
"The XP deserves to succeed... and certainly shows that PC software can operate even better when given the right machine."
WHICH COMPUTER? UK



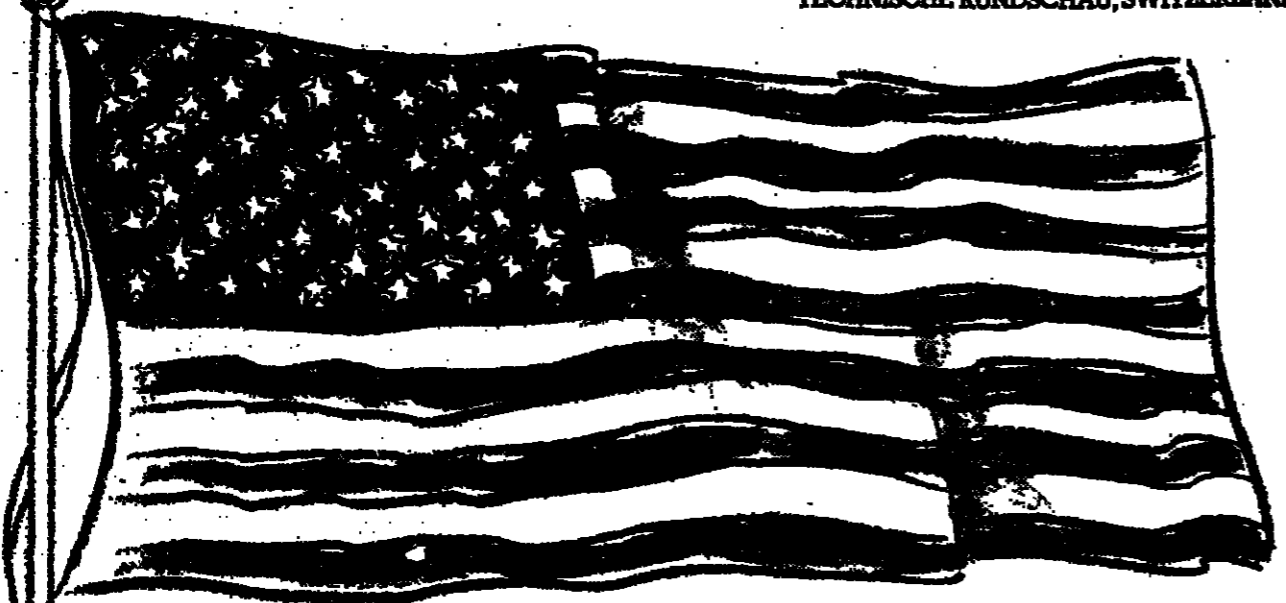
"Its rapid 80286 processor and comprehensive features will teach the competition the meaning of fear"
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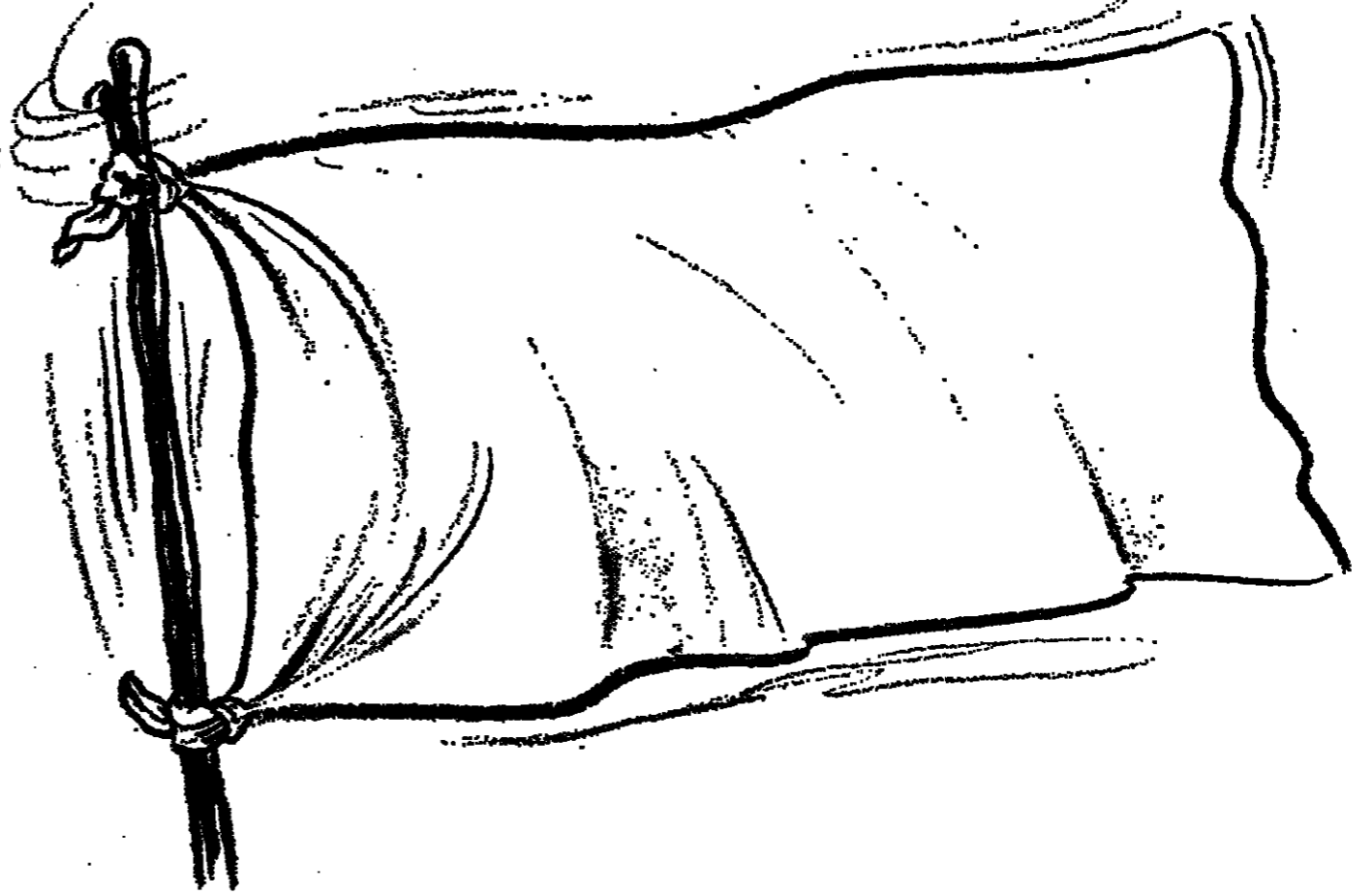


"The fastest PC in the world"
TECHNISCHE RUNDschau, SWITZERLAND



"I would rather have an IIT Xtra XP on my desk than an IBM PC AT"
PC MAGAZINE, USA

Now the world has acclaimed the IIT Xtra XP, how will our rivals react?



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But then, it takes less time to perform most tasks with the IIT Xtra XP.

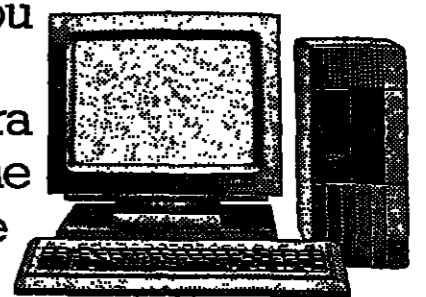
Zero wait state provides instant access to memory, as well as a faster processing time. So you'll increase your system throughput no end.

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Friday February 14 1986

A misdirected farm policy

AS THE European Community's farm ministers embark on another tortuous round of bargaining over farm prices, the issues facing them—a worsening world subsidy war, record stocks and agricultural spending, increasingly depressed farm incomes—are intractable than ever before.

Prices have been fixed at levels which can sustain the most efficient farmers and encourage production on marginal land, but which have rewarded the most efficient with indecently large profits. Conversely, as prices come under pressure, the most efficient have been able to offset the effects by boosting production, while the small and medium-sized ones are taking the strain.

Priorities for the budget

IT IS EASY to lose sight of the main purpose of budgets. These annual rituals are not just vehicles for tax cuts of some description but the Chancellor's main opportunity to address serious economic problems.

subsidised employment) should be offered £40 a week (the average cost of benefits). It would be helpful if the subsidy could also be linked to a promise to provide training of some sort.

FRENCH REGIONAL POLICY

An unequal dash for advantage

By David Marsh in Paris

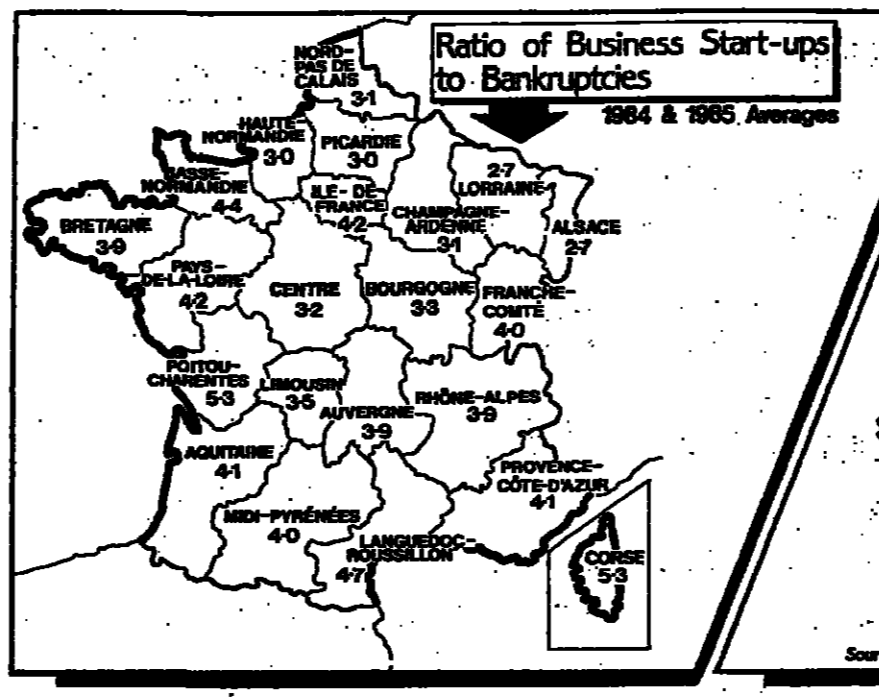
A JAPANESE boarding school for 180 pupils, due to open in April as the almonds blossom at Kintzheim near Colmar in eastern France, is one more piece of bait for the frontier area of Alsace in its bid to stay ahead in a widening regional development battle with the rest of Europe.

The school, occupying a former Catholic college, is being set up with the support of the Alsace development organisation Adira to strengthen the region's attractions for Japanese companies which are sending increasing numbers of executives and their families to plants and subsidiaries in Europe.

Alsace, next to the German and Swiss borders, has long been exposed to the cross-currents of change. As French regions face up to ever tougher competition with each other and with other parts of Europe for jobs and investment, Alsace is not the only part of France in the front line.

Trying to throw off 200 years of subservience to central government, France's regional politicians and industrialists are getting used to taking the initiative across a range of areas from support for high-tech research to job-creating measures in unemployment hotspots.

Even though the opposition has criticised some aspects of the moves, it is a judgment with which politicians of both Left and Right agree. Whatever the result of next month's general elections, the regional reforms—described by President Mitterrand as the "great task" of his presidency—look likely to remain one of the most enduring and positive legacies of the Socialist's period in government.



Ratio of Business Start-ups to Bankruptcies 1984 & 1985 Averages

All the same, vitality of business start-ups and research efforts in the south and west is pulling the economic centre of gravity southwards. Traditionally centralised bureaucracies such as the state Centre National de Recherche Scientifique (CNRS) research organisation have been trying to move closer to the regions.

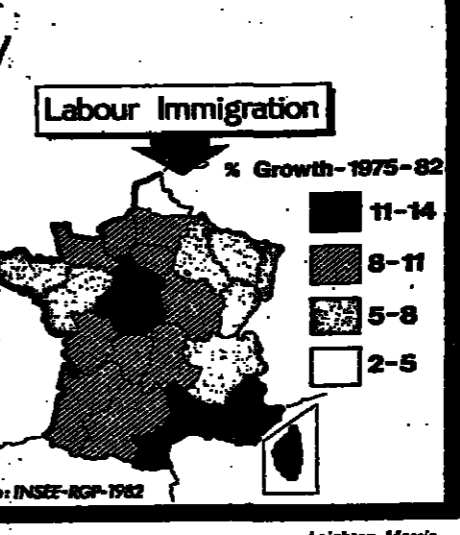
The Government has made efforts to back up regional moves through infrastructure projects — for instance the network of high speed train links from Paris planned to radiate to the north and east as well as the south west and south east by the early 1990s.

Even after the labour shake-out of the past few years, unemployment disparities between the French regions are still less marked than in Britain. But while it once concentrated on trying to equalise the distribution of largesse, Datar's main task now is to ensure that hardships are not spread too unevenly — a more arduous and less inspiring role.

Department "cannot be bullied." The move, however, prompted Laccoca, a feisty chairman and self-appointed turnaround hero of Chrysler, is a man used to speaking his mind and getting his own way. But he finally seems to have met his match.

Michael Fant is clearly by nature an optimist. At a time when the mood in the British film industry is a little fragile at best, he has set up a new film production company and plans to invest some \$27m in a new batch of films.

PATTERNS OF REGIONAL GROWTH



Labour Immigration % Growth 1975-82

This is the strategy which has long been followed in relatively prosperous Alsace as well as in the Lyons region. Eighteen months of contacts and lobbying through Adira's Tokyo office — Alsace is the only French region with its own representative in Japan — paid off last summer when Sony decided on Bergheim south of Strasbourg as the site for a FRF 50m compact disc reader plant aimed at serving the entire European market and creating more than 200 jobs.

Alsace was in competition not only with strong offers from Bridgend in Wales and Villingen in West Germany but also from Lorraine. "At first, Datar looked at us with some suspicion," says Mr Hubert Guilleme, the Adira official who handled the Sony negotiations. "But Sony made clear that, in France, only Alsace came into question. So Datar could hardly oppose it."

Legal ties: City observers watching the passage through the House of Commons of the financial services Bill should not be too surprised if the thinking of Bryan Gould, Labour's trade spokesman, shows some kinship with ideas developed by professor Jim Gover, the authority on company law and investor protection, who is now acting as an adviser to the securities and investments board.

Her backing is drawn from a group of friends, allies, and supporters from business, opposition politics, the Roman Catholic church, and her family. Among what her Marcos faction calls her "ghost presidents" the most important is Jaime Ongpin, president of Benguet Corporation, one of the country's biggest mining companies. He is the younger brother of one of Marcos's ministers but, nevertheless, is an outspoken critic of the Marcos regime.

Another leading businessman, Roberto Romulo, head of IBM in the Philippines, has also been helping the Aquino campaign. Mrs Aquino's political advisers are led by Uovito Salonga, a life-long politician, and Lorenzo Tassada, aged 86, the grand old man of Filipino nationalism. Both are lawyers.

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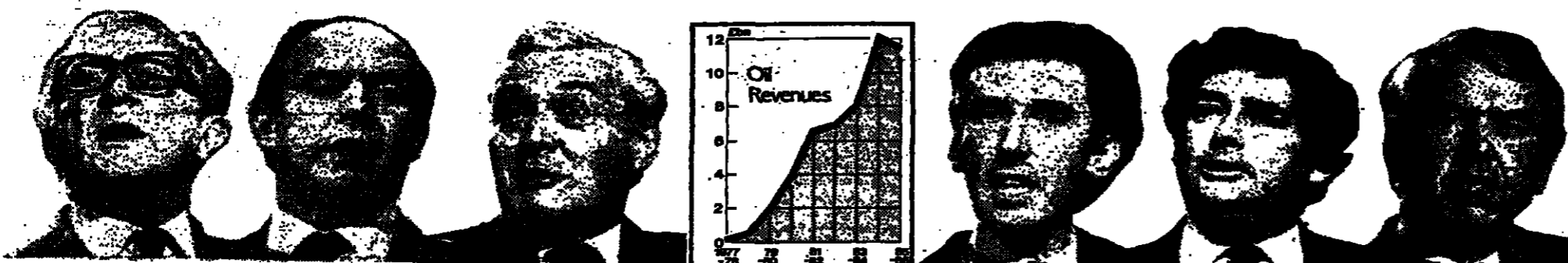
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Observer

POLITICS TODAY



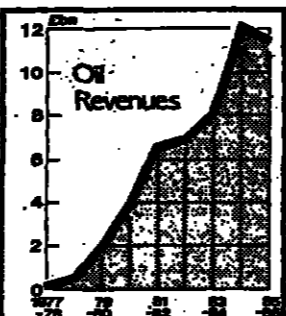
Energy Secretaries past and present: (l. to r.) Lord Carrington, Eric Varley, Tony Benn, David Howell, Nigel Lawson and Patrick Walker

The Cabinet returns to business

By Malcolm Rutherford

THE SUBJECT has changed. No longer are Cabinet Ministers talking about Westland; they have moved on to the Budget, and the political consequences and opportunities of the falling oil price.

Yesterday's Cabinet meeting about the Budget was the kind promised by Mrs Thatcher after there had been a terrific row following the Budget of 1981. That Budget seemed at the time to be very austere and was succeeded by further Treasury demands for greater control of public expenditure, though with hindsight it can be claimed that it was precisely the 1981 Budget which led to what could be the longest period of sustained economic growth in Britain's post-war history.



Mr John MacGregor, the Chief Secretary to the Treasury, made similar points in his speech in the unemployment debate in the House of Commons on Wednesday. There had been no catastrophe, he said, when oil prices fell.

Lombard Austere demands of the IMF

By Peter Montagnon

MR JAMES BAKER, US Treasury Secretary, drew sighs of relief all round when he launched his initiative on easing the developing country debt crisis last October. At last the US had dropped its hands-off policy on debt; better still, ran the common view, it had acknowledged the importance of economic growth in the debtor countries themselves as vital to any solution.

Unions and takeovers

From the Chief Executive, Elders IXL Sir—The trade unions' submission to the Monopolies and Mergers Commission opposing Allied-Lyons—as reported by your labour staff on February 9—appears to be founded on misapprehensions.

Letters to the Editor

tion of rationalising locations, do not anticipate any redundancies. Although Allied's brewing interests have substantial potential, opportunities for growth, innovation and improved performance are not being grasped.

Auditor's role

From the Managing Director, Sibson/J. & H. Sir—Under the heading of 'Accounting body clarifies role of auditor's role' (February 5) you quote Mr Ian Percy, convener of the working party of the Institute of Chartered Accountants of Scotland, on the topic of the auditor's role in relation to supervisors of regulatory bodies, among others.

Real estate advertisement for Queens House, Reading. Features include: 130,000 sq.ft. International Office Building, 350+ car parking spaces, full air conditioning, raised floors, double glazing, six lifts, abundant natural light, fully equipped directors and staff dining rooms, office floors of 23,000 sq.ft., private leisure complex, extensive ancillary storage facilities, landscaped grounds. Contact Dron & Wright (01-629 2335) and Campbell Gordon (0734-597555).

Balfour Beatty for Refurbishment 01-686 8700

FINANCIAL TIMES

Friday February 14 1986

BELL'S SCOTCH WHISKY BELL'S

FRENCH STATE METALS GROUP BOOSTS PROFITS AND TAPS BOURSE

Péchiney to raise FFr 1.7bn

BY DAVID MARSH IN PARIS

PÉCHINEY, the state-owned French aluminium and special metals group, is raising FFr 1.7bn (\$235m) in new equity through a two-stage issue of non-voting preference shares (certificats d'investissement, or CIs) on the Paris bourse.

These totalled FFr 445m in 1985 against FFr 1.44bn in 1984 and are due to decline further in 1986. The issue of CIs will be launched on Monday with the sale of an initial tranche of FFr 800m at an issue price of FFr 225. These CIs - yielding a preferential dividend of a basic FFr 9.5 a share in addition to a fluctuating payout depending on results - will be assimilated into a previous tranche of FFr 800m in CIs issued last July.

The new issue will carry warrants allowing subscribers a further FFr 900m tranche at FFr 360 a share up to the end of 1987. The operation will result in an increase in Péchiney's nominal share capital from FFr 3.22bn to FFr 4.77bn through the first tranche, rising to FFr 4.63bn if all the warrants are converted.

Mr Pache said he had a "pragmatic" attitude over the possibility that Péchiney would be denationalised. The right-wing opposition has promised to sell shares in state companies if returned to power in next month's general elections. He said any sale would have to be carried out in a way which did not prevent Péchiney raising fresh cash from the capital markets in coming years.

Italy joins Denmark in rejecting EEC reforms

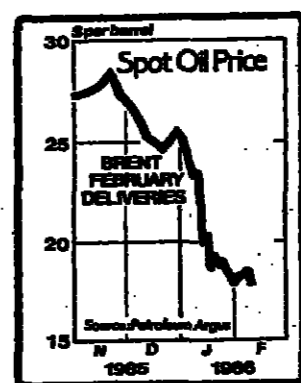
By Paul Cheeswright in Brussels

ITALY yesterday refused to sign a package of European Community constitutional reforms on the grounds that the changes negotiated last year are too modest. It thus joins Denmark which is withholding acceptance of the package at least until after a referendum to be held on February 27. Denmark, however, believes the planned changes are too sweeping.

THE LEX COLUMN

Daisy chains in Rotterdam

The \$10 fall in the oil price was never going to leave the North Sea forward market unscathed; but amid the general smell of scorching since January, it is not easy to say how many fingers have been burned and how badly.



By being guided more by outside forecasts which point to a figure of around \$75p. Even on the present terms, that would leave Rodamco paying something of a premium over average sector values for earnings and asset growth performance over the past five years, a slight tweak to the present offer should be sufficient to win the day.

Rodamco in £240m bid for Haslemere

By Michael Cassell in London

RODAMCO, the Netherlands-based property investment trust, yesterday launched a £240m bid for Haslemere Estates, the UK's twelfth-largest property company. The offer, which was immediately rejected, values Haslemere at £240m (\$330m).

Thatcher moves to dampen UK hopes of big tax cuts

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

MRS MARGARET THATCHER, the British Prime Minister, yesterday forecast a "prudent and cautious" budget on March 18 as she and Mr Nigel Lawson, Chancellor of the Exchequer, sought to temper expectations about the size of any tax cuts. Mr Lawson stressed the "substantial loss of North Sea oil tax revenue as a result of the sharp fall in the oil price" and said it was quite clear that the scope for manoeuvre had been "very greatly affected".

public investment and higher thresholds. These figures are not accepted by the Treasury. Mr Walker received partial support from Mr Kenneth Baker, the Environment Secretary, who called for additional expenditure on some programmes like housing. But he started by congratulating Mr Lawson on his handling of the financial and foreign exchange markets over the past few weeks.

SIB/Stock Exchange

By Paul Cheeswright in Brussels

The digested aspirations of the Stock Exchange as a self-regulatory body - pioneer of City police work and responsible only to the Department of Trade and Industry - seem to have received their last unkindly cut. Not only has its chairman's call to the top table of regulation, the Securities and Investments Board, unaccountably failed to arrive, but the Government has con-

Hanson/Imperial

By Paul Cheeswright in London

Imperial Group has so far muddled a rousing defence to the Hanson Trust assault and yesterday it added to its fortifications with a profits forecast which neatly stretched the Hanson terms with out stretching the market's credulity. A month ahead of the UK budget any forecast for a year which ends in October must be treated with caution, but Imperial has at least specified the likely level of pre-tax profits - £20m - and has agreed to drop the habitual extraordinary "extraordinary" items from its revenue account.

US warning on Mexican economy

Continued from Page 1

are available, he added, "but none will be available if Mexico is not willing to undertake basic reforms." He suggested Mexico may need "shock treatment" similar to the approach adopted by President Alfonsín in Argentina. America's ability to help was restricted by budget constraints and a limited ability to purchase oil from Mexico for its strategic petroleum reserve, the official said. But he maintained that, within a few weeks of "earnest negotiations"

World Weather

Table with weather forecasts for various cities including London, Paris, Rome, etc.

Daimler-AEG merger approved

Continued from Page 1

market, there is a case for upholding strict competition between MBB and Daimler's aerospace interests. Daimler-Benz announced earlier this week that it had agreed to another offer for the convertible shares to sell its indirect 9 per cent stake in Metallgesellschaft, the metals, mining and trading group.

Sweden to close Kockums shipyard

Continued from Page 1

Merchant shipbuilding at Kockums is expected to cease within 18 months to two years. The present order book will be completed by the beginning of 1987, but the Government yesterday promised additional funds to guarantee some work during 1986 and 1987 to allow a more gradual run-down. The yard has not won a new order since 1983.

Siemens joins bidding for Bell contract

By Paul Taylor in New York

SIEMENS, the West German electrical group, has moved another key step forward in the race to sell digital telephone exchange switches to the local Bell telephone companies. Ameritech, one of the seven regional telephone holding companies, has formally added Siemens to a list of vendors who will bid later this year for \$100m in digital switch contracts.

Enichem-ICI PVC merger

Continued from Page 1

EVC, the new joint company, will have a registered holding office in the Netherlands, a management office in Brussels and joint operating and sales companies in several European countries. All PVC compound operations of Enichem and ICI will be consolidated into the joint venture, although the ownership of actual plants and other assets will remain with the respective parent companies. Manufacturing capacity for PVC will be updated in the UK, Switzerland and Italy.

Siemens joins bidding for Bell contract. Co-operative Wholesale Society Limited. Revolving Short-term Acceptances and Advances Facility. Arranged by County Bank Limited, Co-operative Bank plc, etc.

INTERNATIONAL COMPANIES and FINANCE

Bonn uses intermediary for zero-coupon deal

BY MAGGIE LURRY

THE WEST GERMAN Government is indirectly tapping the international capital markets for the first time through a Euro-DM 1.44bn zero-coupon bond issue.

Record net earnings for CSFB

BY OUR EUROMARKETS CORRESPONDENT

CONSOLIDATED assets of Financiere Credit Suisse-First Boston (CSFB), the market leader in Eurobond issuing, dropped in 1985, largely due to a slowdown in floating-rate notes and certificate of deposit business towards the end of the year.

£200m facility for Abbey National

By Peter Montaguon, Euromarkets Correspondent

THE Abbey National Building Society has launched a £200m, five-year revolving credit facility in the Euromarkets, believed to be the largest such deal by a British building society to date.

Five Eurodollar straights issued

BY ALEXANDER NICOLL

FIVE DOLLAR straight Eurodollars totalling just over \$600m were launched yesterday as the market took advantage of overnight advances in the US credit markets.

Mr Clive James, Abbey National assistant general manager, said yesterday the facility had been structured to leverage the terms of the Abbey's liabilities and bro/s in the wholesale funding markets.

vector has the additional flexibility of being able to treat it either as a convertible or as a bond with equity warrants. It was well received. Led by Banque Paribas Capital Markets, the \$80m issue is for seven years, with par pricing and a coupon expected to be 8 1/2 or 9 per cent, with an exercise premium of about 10 per cent above the closing Paris share price next Monday.

Cautious response Ireland made its first fixed-rate dollar issue since 1981. Though sovereign issuers are currently seen as more acceptable in the market, it met a somewhat cautious response when launched by CSFB.

Christiania Bank launches 'bull' floater

BY OUR EUROMARKETS STAFF

CHRISTIANIA BANK reversed the usual logic of a floating-rate note issue yesterday when it launched a new type of floater with an interest rate that goes up when other rates are falling and vice versa.

actively yesterday, although the first Sallie Mae issue met such good demand it was increased in size. Bankers expected it to appeal to more speculative investors or to certain specialist investors who want a volatile instrument but are not permitted to hold long-dated stocks.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices of February 13

Table with columns: US DOLLAR, STRAIGHTS, CONVERTIBLE BONDS, DEUTSCHE MARK, SWISS FRANC, YEN STRAIGHTS. Lists various bond issues with prices and yields.

Liffe ahead of schedule

By Our Euromarkets Staff

THE LONDON International Financial Futures Exchange (LIFFE) has set March 23 as the start-up date for options on both its US Treasury bond and long gilt futures contracts.

DOMESTIC BOND MARKETS

Concern over yen's rise

YEN BONDS were sold in Tokyo yesterday, reflecting investor concern over the yen's rapid rise against the US dollar. Institutional investors remained on the sidelines, writes Shigeo Nishiwaki of JH Press.

Firmer bias in Frankfurt

IN FRANKFURT bonds ended moderately active next Tuesday despite a mixed but with a firmer bias, as foreign and domestic investors opened fresh positions.

Second offer of French T-bills

The French Treasury will offer for tender FFf 5bn of negotiable Treasury bills.

Canton of Zurich

The Canton of Zurich is issuing a Swiss franc maximum 12-year domestic bond of around SFR 150m with a 4 1/2 per cent coupon. Lead manager is Zurich Cantonal Bank.

TATEHO CHEMICAL INDUSTRIES CO., LTD.

(Tateho Kagaku Kogyo Kabushiki Kaisha) (Incorporated with limited liability in Japan) U.S.\$30,000,000 4 1/2 PER CENT. GUARANTEED NOTES DUE 1991 WITH WARRANTS TO SUBSCRIBE FOR SHARES OF COMMON STOCK OF TATEHO CHEMICAL INDUSTRIES CO., LTD.

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INTL. COMPANIES & FINANCE

Foreign banks thrive in Pakistan

BY MOHAMMAD AFTAB IN ISLAMABAD FOREIGN BANKS in Pakistan have shown better results under their newly adopted interest-free banking system...

Bleaker forecast from Fujitsu

BY YOKO SHIBATA IN TOKYO FUJITSU, the leading Japanese maker of computers and semiconductors, yesterday forecast a 57.5 per cent plunge in pre-tax profits to around ¥30bn (\$286m) in the year to March...

Anglo-Alpha hit by sharp increase in finance costs

REDUCED ACTIVITY in the building and construction industries led to a fall in volume sales of cement and stone last year by Anglo-Alpha, South Africa's third largest cement company...

BTR South Africa upset by recession and disputes

A DEEPENING recession and severe labour relations problems combined sharply to reduce sales and profits of BTR South Africa, the local offshoot of BTR of the UK, in the year to December 27...

Hooker stays on target with jump of 49%

BY LUCIAN DRUMMOND IN SYDNEY HOOKER CORPORATION, the Australian housing and property group, achieved a 49 per cent increase in last year's earnings...

Hooker's growing US housing interest was a major factor in the interim profit increase. The US operation sold 684 homes in the half-year, up 88 per cent...

Exchange rate boost for Gefco and Msauli profits

GRUQLAND EXPLORATION (Gefco) and Msauli, South Africa's two quoted asbestos mining companies, increased profits sharply in 1985 largely because of the fall in the rand's external value...

Austral Enterprises plans large purchases of land

AUSTRAL ENTERPRISES, the 50 per cent plantation subsidiary of Island and Peninsula (Land), the Malaysian property group, is embarking on acquisitions that will substantially increase its acreage...

All of these Securities have been sold. This announcement appears as a matter of record only.

\$500,000,000

Commonwealth of Australia

\$200,000,000 9 1/4% Bonds Due August 1, 1996

\$300,000,000 9 5/8% Bonds Due February 1, 2006

Interest payable February 1 and August 1

MORGAN STANLEY & CO. Incorporated

THE FIRST BOSTON CORPORATION

MERRILL LYNCH CAPITAL MARKETS

SALOMON BROTHERS INC

- GOLDMAN, SACHS & CO. BEAR, STEARNS & CO. INC. DAIWA SECURITIES AMERICA INC. DEUTSCHE BANK CAPITAL CORPORATION...

All these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

February 1986

EUROFIMA

SOCIÉTÉ EUROPÉENNE POUR LE FINANCEMENT DE MATÉRIEL FERROVIAIRE

Japanese Yen 20,000,000,000 6 1/4 per cent. Bonds due 1993

ISSUE PRICE 101 1/4 PER CENT.

The Nikko Securities Co., (Europe) Ltd.

- Bank of Tokyo International Limited Mitsui Trust Bank (Europe) S.A. Algemene Bank Nederland N.V. Banque Bruxelles Lambert S.A. Banque Paribas Capital Markets Limited...

Daiwa Europe Limited

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Eurodollar Straight Bond Issues

Secondary Market Trading Department — 01-248 1515—(40 Lines)

Manager—Trading — John Ballhatchet

All Japanese Issues & "Sushi" Bonds — John Ballhatchet Don Whiteford

Supranational & Sovereign Names — Nick Davies Stephen Pope

The Toronto Dominion Bank

U.S. \$100,000,000

Floating Rate Debentures February 1992

For the six months 14th February 1986 to 14th August 1986 the Debentures will carry an interest rate of 8 1/4% per annum.

Agent Bank

Midland Bank plc

NOTICE OF INTEREST PAYMENT

SANDVIK AKTIEBOLAG 6 1/4% CONVERTIBLE BONDS 1977/1986

COUPON DUE 15TH MARCH 1986 Notice is hereby given to the Coupon holders of the above mentioned issue that Coupon No. 9 will be payable on 15th March 1986 at 125000000 or 1250000000 of the nominal value of the Bonds to which the Coupon applies.

For SANDVIK AKTIEBOLAG BANK OF AMERICA INTERNATIONAL S.A. LUXEMBOURG Principal Paying Agent

U.S. \$200,000,000

First Chicago Corporation

Floating Rate

Subordinated Notes

due 1992

In accordance with the provisions of the Notes notice is hereby given that the Rate of Interest for the next interest period has been fixed at 8.1625% per annum.

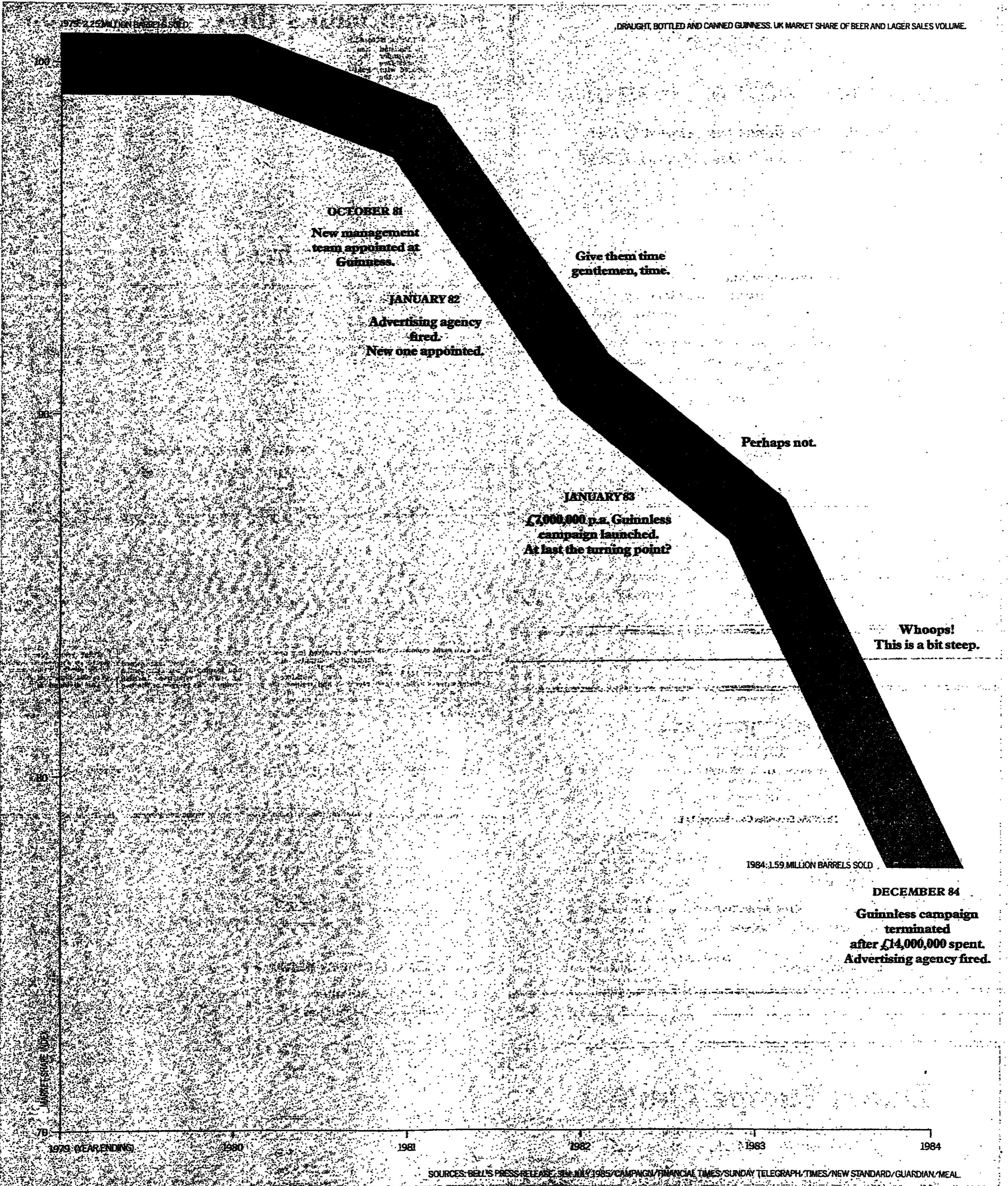
The Coupon Amount payable on the 19th May, 1986 will be U.S.\$ 204.06. Manufacturers Hanover Limited Agent Bank

DAIWA EUROPE LIMITED

JAPANESE EQUITY WARRANTS SERVICE

Table with columns: ISSUER—Warrant expiry date, Current Market Prices, Offer Calculations. Lists various Japanese companies like AIGCA, AJINOMOTO, CASIO, etc.

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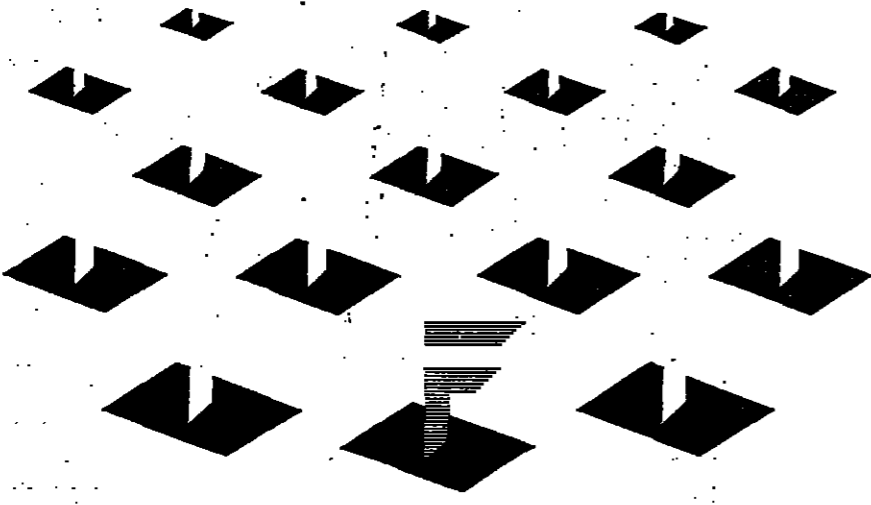
SYSTEMS FOR THE CITY

Office furniture, storage, lighting, carpets - the most advanced ranges for City interiors are now displayed together for the first time in Worship Street.

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Advertisement for a new office and production facility at 18,350 sq. ft. on Bath Road, Heathrow. Features include 20,000 sq. ft. of offices, good access to North Circular Road, M25 & M1, sprinkler and smoke detection systems, executive and works dining areas, heating and lighting throughout, and spacious forecourt parking. Contact Grant & Partners (01-629 8501) and Goldenberg & Co. (01-491 4101).

Advertisement for Chamberlain & Willows, Estate Agents and Surveyors. They offer a factory of 75,300 sq. ft. with 20,000 sq. ft. of offices. Features include good access to North Circular Road, M25 & M1, sprinkler and smoke detection systems, executive and works dining areas, heating and lighting throughout, and spacious forecourt parking. Contact Chamberlain & Willows at 1 South Audley Street, Mayfair, London W1Y 6JL. Tel: 299161.

Advertisement for Philip Andrews, 24 Grafton Street, W1. TO BE LET. Magnificent Mayfair headquarter building. 8,000 sq. ft. New, elegant OFFICES rebuilt behind period facade. Contact Philip Andrews at 2 Duke Street, Manchester Square, London W1M 5AA. Tel: 01-486 5991.

Advertisement for West London First and Foremost Warehouse Space To Let. Four Units Ranging in Size From 10,000 sq. ft. to 48,920 sq. ft. Contact Bernard Thorpe at 1924 Saint George Street, Hanover Square, London W1R 0PT. Tel: 01-499 6353.

Company Notices

Notice from Societe Nationale des Chemin de Fer Francais. 12 1/2% Guaranteed Notes due 1992. With detachable Warrants to purchase USD 100,000.000.

NOTICE OF PARTIAL REDEMPTION

Table listing various financial instruments and their details, including ISIN numbers and amounts. Includes entries for Societe Nationale des Chemin de Fer Francais and Thomson-CSF.

THOMSON - CSF

Notice from Thomson-CSF regarding the redemption of shares. The company has decided to redeem 10% of its shares on 17 February 1986. The redemption price is the nominal value of the shares plus interest.

Advertisement for Caisse Nationale des Communications. Floating Rate Notes issue of USD 300,000,000 1985-2000. For the period of one month, from 13 February to 13 March 1986 (28 days), the notes will bear interest at the rate of 8% per cent per annum.

International Property

Advertisement for European Headquarters in Bonn and Rhine Frontage. The Bonn property is a modern building with excellent facilities. The Rhine Frontage property is a large industrial site. Contact Imer Seddon Management at Berliner Allee 45, D 4000 Düsseldorf. Tel: (0211) 13 25 13.

FOR SALE

Advertisement for Real Estate properties. Includes 'JARDINE HOUSE' in Perth, Western Australia, and 'BUNBURY TOWER & LORD FOREST HOTEL' in Perth. Contact Clive Steiner & Associates at High Road, Wotton Bassett, London N20 9LP. Tel: 01-488 9566.

Advertisement for BOND properties. Includes 'BEAUFORT RIVER FARM' and 'COMMERCIAL WAREHOUSE & FACTORY COMPLEX'. Contact BOND at 9 Harelock Street, West Park, Western Australia 6005. Tel: (08) 322 6197.

Company Notices

Financial statements for New Kleinfontein Properties Limited. Includes Income Statements for the six months ended 31 December 1985 and 30 June 1985. Also includes a Balance Sheet as at 31 December 1985 and 31 December 1984.

FOR SALE

Advertisement for Majorca property. 'MAJORCA Alucia Bay' is a 2.8 million property with full facilities. Contact Clive Steiner & Associates at High Road, Wotton Bassett, London N20 9LP. Tel: 01-488 9566.

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Advertisement for London City Borders. 4,110 sq. ft. NEW HIGH TECH BUILDING. Contact Grant at 01-629 8501.

Advertisement for Portman Square W1. 4,900 sq. ft. SUPERB AIR CONDITIONED OFFICES ON TWO FLOORS WITH ONE CAR SPACE. Contact Sole Agents Leonard Vynor & Company at 486 9301.

Advertisement for Portsmouth Four Freehold Warehouses. 6-10,000 sq. ft. Close M27. Contact Young & White at 01-629 8501.

Advertisement for Architectural Practice. Internationally known medium size architectural practice. Contact at 10 Cannon St, London EC2A 4EY.

Advertisement for Investments For Sale. RETAIL INVESTMENT DARTINGTON 4795,000. Initial yield 7.34%. Contact at 49 King Street, Leeds. Telephone (0532) 422866.

Advertisement for Offices To Let. BUSLIP MANOR, MIDDX. Tastefully newly refurbished showrooms/offices. Contact at 01-278 2433/4.

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Advertisement for Property Development Company. With 20 years experience in commercial property development. Contact at 01-488 9566.

Advertisement for IBA Investments. 100% IBA Enterprise Zone Investments. 20 year Local Authority guarantees. Contact John Piper at 0273 728311.

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UK COMPANY NEWS

Imperial Group forecasts profits growth of 23%

BY MARTIN DICKSON

Imperial Group, which is fighting a \$1.8bn takeover bid from Hanson Trust, yesterday forecast a 23 per cent increase in pre-tax profits for the year to October-end and a 26 per cent rise in dividends.

The forecast that pre-tax profits would total about £280m, against £237.7m in 1985, was slightly ahead of market expectations, which had been pitched around £265m. The forecast dividend is 12p, with the interim up from 5p to 6p.

Mr Geoffrey Maitland Smith, chairman of Hanson Holdings and already a non-executive director of Imperial, has been appointed to the new post of deputy chairman and will take charge of a committee to consider the structure of the board and succession to Mr Kent.

IBM UK profits advance by 60%

AN OUTSTANDING year for its work station and personal computer businesses contributed to a 60 per cent rise in pre-tax profits for IBM United Kingdom Holdings. The result was achieved on turnover up by 30 per cent.

The company, the ultimate holding company of which is International Business Machines of the US, reported 1985 continuing profit of £2.35bn to £2.04bn. Pre-tax profits came out at £2.21bn, against the previous year's £2.25m.

Mr A. B. Cleaver, chief executive, says the achievement was due to the company's determination to be the industry's low-cost producer and its careful management of costs and expenses during the year. He adds that the results were achieved despite a year in which the industry faced a number of uncertainties.

Michael Cassell considers Rodamco's bid for Haslemere Estates Dutch seek UK funds outlet

"DOING A Haslemere may never again mean quite the same thing. The catchphrase, borne out of a respect for the property group's unequalled expertise in restoring some of London's finest buildings, has become property industry jargon for high-class refurbishment.

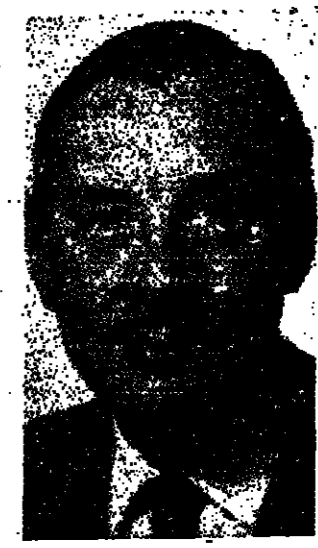
In future, it might be used to describe a sudden, predatory swoop on an unsuspecting property company. Rodamco's surprise bid for control of Haslemere Estates has been possible ever since the Dutch-based property trust picked up a share stake in the UK company towards the end of 1985.

Mr Cassell, chairman of Haslemere Estates, says the takeover was a surprise. He says the takeover was a surprise. He says the takeover was a surprise.

HASLEMERE'S RECORD table with columns: Year end, Pre-tax profit, Earnings per share. Data for 1981-1985.

1943 by the late Mr Fred Cleary and Soated at four shillings, a share in 1961. It concentrated from the outset on property investment and development in London and the south coast and its investment portfolio rose from £600,000 at the time of its flotation to £200m in 1985.

who becomes one of three founder-directors of Rodamco Property. "Part of the company's problem has been a lack of funds, which has forced it into the arms of funding partners in order to carry out major projects. As a result, its share of any development profits has been limited."



Mr David Pickford, the chairman of Haslemere

For Rodamco, the UK initiative forms part of its strategy to construct a Dutch property investment vehicle with a portfolio spread throughout the world. The property trust was founded in 1978 and now has net assets of about £50m, invested in Europe and the United States.

Templeton valued at £344m

BY LUCY KELLAWAY

Templeton, Galbraith & Haselberger, the largest foreign company to seek a primary stock exchange listing in London, today publishes details of a flotation that will value the US fund management group at £344m.

Mr John Templeton, the company's 73-year-old founder and chairman, will realise about £55.5m from selling 25.8m shares. These form the bulk of the 40m shares being offered by Caspewere at 115p each to raise £580m. All of the shares are being sold by existing shareholders, with the company itself raising no new money.

good, with investors tending to hang onto their units for a dozen years at least, reinvesting the income. Nevertheless, suspicious UK investors may not like the limited voting rights nor be altogether convinced that the London listing is a simple consequence of the group's global aspirations, and therefore may not be willing to pay a premium over UK fund management groups.

Court Line, the major British leisure group which collapsed in the mid-seventies, is to pay a seventh dividend of 2ip in the pound, bringing total dividends to 22p in the pound, joint liquidator Guy Parsons of Post Marwick said.

Asset value upturn for two venture capital groups

BY WILLIAM DAWKINS

Newmarket Company and Abingworth, the quoted British venture capital group with substantial exposure to the US, experienced a slight recovery in asset values in the final quarter of 1985.

Both groups attribute the improvement to an upturn in valuations of publicly listed US technology stocks, though Newmarket warns that "the recovery owes more to investors' enthusiasm for the less-favoured areas of the market than to a fundamental economic improvement in technology companies."

Software Inc and put an additional £1.4m into 10 existing UK investments and £1.62m of follow-on financing into seven US ventures. Abingworth, with 72 per cent of its portfolio in US businesses, recorded a rise in net asset value from £2.70 per share to £2.81 in the three months to December, completing the first half of its financial year. Net assets slipped, however, from £2.86 per share in June 1985. The share price slipped to 240p, a 15 per cent discount to net asset value.

SAI hit by weather and narrowing margins

FOLLOWING the substantial reduction in profits at midyear, Scottish Agricultural Industries has made a trading profit of only £384,000 for the full 1985 year, compared with £2.77m.

And taking account of increased associates' losses and a move into net interest payable, the group is left with a pre-tax loss of £385,000 for the year, compared with a profit of £3.15m. The company, a 62 per cent owned subsidiary of Imperial Chemical Industries, is holding the dividend at 15.5p net, with an unchanged final 12p.

LADBROKE INDEX table with columns: 1,284,120 (-1) Based on FT Index Tel: 01-427 4411

MEPC plc Metropolitan Estate and Property International N.V. £200,000,000 Underwritten Tender Panel Advance Facility with Euronote Option Managed by NM Rothschild & Sons Limited. Includes list of underwriting banks and Euronote tender panel banks.

DIVIDENDS ANNOUNCED table with columns: Current payment, Date of payment, Corro. Total, Total. Lists dividends for Birmid Qualeast, Mid Wynd, Scottish Agricultural, Trent Holdings, Trust of Property, Yeoman Trust.

elbief PLC SUCCESSFUL DIVERSIFICATION. Unaudited results for 1985 and 1984. Elite PHOTO FRAMES, MIRRORS, CLOCKS. Elbief HANDBAG FRAMES, ACCESSORIES FOR LEATHERGOODS.

Former THF directors get £0.2m

TRUSTHOUSE FORTE, the hotels and catering group, has paid a total of £200,000 compensation to two former directors for loss of office.

The directors concerned are Mr Robert Manfred, formerly in charge of THF's American operations, and Mr Giuseppe Pecorelli, a former managing director of THF's hotels. THF declined to give a breakdown of the separate payments.

NOTICE TO LOMBARD DEPOSITORS. 14 Days Notice. Minimum deposit is £2,500. 12% p.a., 9-34% p.a., 13-34% p.a. Lombard North Central 17 Bruton St, London W1A 3DH.

Granville & Co. Limited. Over-the-Counter Market table with columns: High Low, Company, Ord., Price Change, Gross Yield, P/E, Fully. Lists various stocks like Airsprung Group, Bardon Hill, Bly Technology, etc.

Handwritten Arabic text: سكرتاريا الاموال

FT COMMERCIAL LAW REPORTS

Evidence based on unofficial samples to be considered by Gafta arbitrators

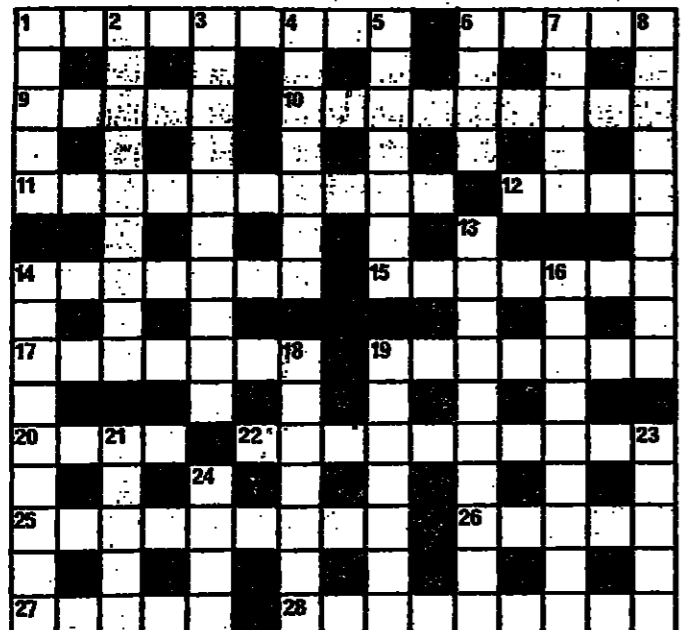
CHARLES E FORD v A FEE INC Queen's Bench Division (Commercial Court): Mr Justice Bingham: February 12 1986... Comprehensive contractual provisions for the official analysis of samples to ascertain whether cargo complies with contract description do not, in the absence of clear words, exclude the buyer's right when asserting non-compliance or non-acceptance or non-payment...

with contract percentages. But if the goods turned out to be contaminated by a dangerous foreign substance of which the buyer was initially unaware, he might have no cause to call for an analysis under 17(c). Even if he did call for an analysis he would be unable to include the samples taken otherwise than in accordance with 17(a), but he did not do so. It was difficult to think of a convincing reason why a draftsman, having the intention which the sellers attributed to him, should not have done so...

FT UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts and their performance metrics. Columns include Trust Name, Investment Objective, and various performance indicators like Total Return, Dividend Yield, and Net Asset Value.

F.T. CROSSWORD PUZZLE No. 5948



ACROSS 1 The one who shines in an astronomy class? (4,5) 6 A colour I call different? (5) 9 Two redheads ring in after Elizabeth makes a bloomer (5) 10 Nag girl into returning duty list to an air-crew member (9) 11 What they sell here is still produced (10) 12 Part of two articles the soldiers brought in (4) 14 Are not secretive about being holy? (7) 15 Treachery for which there's a third-rate motive? (7) 17 Uncle started troublesome engine brought round by someone inexperienced? (7) 19 Type on form C "in power" (7) 20 Holly, 10, and Samuel's teacher are back (4) 22 The revolutionary agrees I must stand behind people, making beasty collections (10) 25 Having a screw that's not big enough? (9) 26 This bird always returns around the start of Easter (5) 27 Stagger left by the old city church (5) 28 The man involved, seated outside, will be judged (9) DOWN 1 Way up river on a horse (5) 2 Makes a telephone call about the others striking? (9) 3 Incessantly repeated: "Shut up about sister being different" (10) 4 Could be a fine kick after a foul? (7) 5 Hare left the day before, the soldiers last night? (7) 6 Records obtained from a trunk, possibly? (4) 7 Without doubt I can rely on cooking the turnip top inside - (9) 13 An instrument which boils (4,5) (10) 14 Religious liar is put out (9) 15 Aware many inside will show emotion (9) 18 Promote the Spanish girl in France and return (7) 19 Check the record first, standing up when there's a round of applause (7) 21 One way to ride plastic duck (5) 22 Quietly show the children around, but go too fast (5) 24 Mischiefous soldiers turn on the central heating (4)

APPOINTMENTS

Great Portland Estates changes

Mr Basil Samuel, who has been chairman of GREAT PORTLAND ESTATE since 1968, has decided to relinquish the executive chairmanship. He has been appointed the first president and will remain a non-executive director. Mr Richard Peskin, deputy chairman and managing director, has become chairman and managing director. Mr Sidney Reisman has been appointed deputy chairman. Mr Philip Warren, formerly executive director of the Welsh Development Agency, is to join the board of W. S. ATKINS & PARTNERS (WALSLEY) as a non-executive director. Mr L. A. Grosbard has resigned as managing director and Mr D. A. Sugden as director and secretary of SPEAR & JACKSON. Mr Chris Harrison has been appointed a director and Mr Neville Peel director and secretary. This follows the acquisition of Spear & Jackson International by James Neill Holdings, of which Mr Harrison and Mr Peel are executive directors. Mr Geoffrey Moore has been appointed assistant director (petroleum purchasing) as part of a reorganisation of the management structure of the petroleum purchasing department at BRITISH GAS headquarters. This new post is concerned with the co-ordination of the petroleum purchasing department's work with other parts of the industry. Mr Moore was managing (policy and co-ordination) Mr Eric Taylor has been appointed personnel controller with responsibility for industrial relations, recruitment, training, management development, manpower and remuneration planning and control at headquarters. He was personnel manager with British Gas South Eastern. PRIMECUT FOODS, Kettering, has appointed Mr W. B. (Bill) Wright as managing director. He succeeds his father, Mr Bernard Wright, who becomes executive chairman. Bill Wright was marketing director and is the current president of the British Frozen Food Federation. Mr Ron Silbharpe has joined CANNON ASSURANCE as head of administration. He was with Sun Life Unit Services. SIGMA RESOURCES has appointed Mr Ian Clark as its chairman. He joins from Britoil where he was joint managing director. HEUBLEIN INC (proprietor of Smirnoff vodka) has appointed Mr Jeremy J. Collis as vice president for Europe, Middle East and Africa region, based in London. He was finance director for the region. His predecessor, Mr Bill Sawright, returns to Heublein's head-quarters in Hartford, Connecticut, US, as senior vice president, international. COVENTRY MOTOR & SUNDRIES CO has appointed Sir Ian Wallace as a main board director. He is currently managing director of Massey-Ferguson Holdings. Mr Kevin Garvey has been appointed head of financial control. He is currently managing director of COULTS & CO. He has also been appointed an associate director of the bank. Mr Thomas Collins has joined the board of the NORTH OF ENGLAND BUILDING SOCIETY. He was a manager in Barclays Bank, Fawcett Street, Sunderland. Mr David Lucas has been made managing director of the new independent radio station OCEAN SOUND, which is due to start broadcasting to Portsmouth and Southampton in October. He is currently managing director of Guildford's commercial radio station County Sound. Mr J. G. Edwards has been appointed commercial director of BACOL INDUSTRIES, a Metallurgical Group company. He is currently responsible for the company's production planning and control, purchasing and related functions. ERICSSON INFORMATION SYSTEMS has appointed Mr John Sheldon as controller and director of finance, responsible for financial and management aspects of the various divisions of the company. Before joining Ericsson, Mr Sheldon worked for three years with Standard Motors Centres where he was finance director. Mr Derek Taylor, a director with the National Nuclear Corporation, has joined the SIZEWELL "B" PROJECT MANAGEMENT BOARD, succeeding Mr Tony Wise, who has retired. Mr Taylor is one of two NNC representatives on the six-man board which is responsible for the design and if it goes ahead, construction of Britain's first pressurised water reactor (PWR) power station proposed by the Central Electricity Generating Board. He will have particular interest in nuclear safety, design and engineering matters. Mr Roy Stew, formerly marketing director, has been appointed managing director of COMPUTATIONS STRUCTURED SYSTEMS as managing director. Mr Steve Tooth moves into the post of director, software, from his position of associate director. Both Mr Stew and Mr Tooth were founder members of Computations, wholly-owned UK subsidiary. Mr Ray Hewitt has been appointed managing director of KAYE (PRESTON) and general manager of Wolverhampton Die Castings.

FINANCIAL TIMES BOOKLETS The following booklets are available from the Financial Times: Capital Gains. The key figures to calculating your tax. How to compete on equal terms. Jobs, pay, unions & ownership capital. £4.50. £2.75. £1.50. To order your copy, please write to: Ms Nicola Banham, Publicity Department, Financial Times Limited, Brackenhurst, 10 Cannon Street, London EC4A 3DF. enclosing a cheque for the value of your order.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various unit trusts and insurance policies with columns for name, code, and other details.

INSURANCES

Handwritten signature or mark at the bottom center of the page.

Handwritten note: "هذا ما كان عليه"

INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data for various insurance and overseas funds, including company names, fund names, and numerical values.

Main table of financial data for insurance, overseas, and money funds, organized in columns with fund names and associated values.

Table of financial data for money market and bank accounts, including fund names and values.

OFFSHORE AND OVERSEAS

NOTES

TRADITIONAL OPTIONS

Table of traditional options with 3-month call rates, listing various options and their rates.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar very weak against yen

The dollar gained only temporary respite from the comment from Mr Gerhard Stoltenberg, West German Finance Minister, that the...

£ IN NEW YORK

Table showing exchange rates for £ in New York, including columns for Close, Feb 13, and Prev. close.

FINANCIAL FUTURES

Firmer bonds

Dollar denominated interest rate contracts firmed in early morning trading on the London International Financial Futures Exchange yesterday...

about a possible realignment of the European Monetary System, after next month's French elections...

JAPAN: YEN

Trading range against the dollar in 1985-86 is 263.15 to 263.15. January average 198.95. Exchange rate index 191.7 against 157.1 six months ago.

The yen rose sharply in hectic Tokyo trading, pushing the dollar to its lowest level since November 1, 1978. Trade was virtually all one-way and dealers doubted whether the US currency had yet found its lowest point.

CURRENCY MOVEMENTS

Table showing currency movements for various countries, including columns for Bank of England, Morgan Guaranty, and changes in percentages.

CURRENCY RATES

Table showing current currency rates for various countries, including columns for Bank rate, Special Drawing Rights, and European Currency Unit.

LONDON

Table showing market data for London, including 30-year 10% National Gilt, 10% Treasury Bonds, and 10% Treasury Bills.

CHICAGO

Table showing market data for Chicago, including 10% Treasury Bonds (CBT) and 10% Treasury Bills (TMM).

STERLING INDEX

Table showing the Sterling Index for various months, including columns for Close, High, Low, and Prev.

STERLING FUTURES

Table showing Sterling futures prices for various months, including columns for Close, High, Low, and Prev.

STERLING INDEX

Table showing the Sterling Index for various months, including columns for Close, High, Low, and Prev.

STERLING INDEX

Table showing the Sterling Index for various months, including columns for Close, High, Low, and Prev.

POUND SPOT-FORWARD AGAINST POUND

Table showing pound spot and forward rates against the pound, including columns for Day's opening, Close, One month, and Three months.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table showing dollar spot and forward rates against the dollar, including columns for Day's opening, Close, One month, and Three months.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies, including columns for Day's opening, Close, and % change.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies and maturities, including columns for Term, 7 days notice, 1 Month, Three months, Six months, and One year.

MONEY MARKETS

Quiet trading in London

It was another very quiet day on the London money market, with dealers seeing little prospect of a change in interest rates for some time...

NEW YORK RATES

Table showing New York rates for various currencies, including columns for Prime rate, Fed funds, Treasury Bills, and Treasury Bonds.

MONEY RATES

Table showing money rates for various currencies, including columns for One month, Two months, Three months, Six months, and One year.

OTHER CURRENCIES

Table showing rates for other currencies including Arg. Lira, Aus. Dollar, Brazil, Canada, Denmark, Deutsch Mark, Hong Kong Dollar, Indian Rupee, Japanese Yen, Korean Won, New Zealand Dollar, Singapore Dollar, South African Rand, Swiss Franc, and Taiwan Dollar.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries, including Belgium, Denmark, France, Germany, Greece, Italy, Netherlands, Portugal, Spain, and UK.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for various currencies, including columns for Three months U.S. dollars and Six months U.S. dollars.

LONDON MONEY RATES

Table showing London money rates for various currencies, including columns for One month, Three months, Six months, and One year.

WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The table below gives the rates of exchange for the US dollar against various currencies as of Wednesday, February 12, 1986. The rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one US dollar except in certain specified areas.

Large table showing world value of the dollar, listing countries, currencies, and their values relative to the US dollar.

Not available. (m) Market rate. (n) US dollars per National Currency unit. (o) Free market cent rate. (p) Official rate. (q) Free market interbank rate. (r) Commercial rate. (s) Free market rate. (t) Controlled rate. (u) Preferential rate. (v) Non-subsidized imports. (w) Floating market rate. (x) Official rate. (y) Official rate. (z) Official rate.

Legal Notices

THE OFFICIAL ASSISTANCE THE LONDON STOCK EXCHANGE... BANK HANDLOWY W. WARSZAWIE S.A. Floating Rate Note issue of US\$ 30 million 1979/89.

Personal

Made in the big house to my darling P.M. I come from LV + MV + TA - AX.

THE FINANCIAL TIMES

is proposing to publish a survey on GHANA On Monday 19 May 1986 Advertising copy date for this survey is Monday 21 April 1986

For further information please contact: Hugh Sutton, Area Manager—Africa Financial Times, Bracken House 10 Cannon Street, London EC4P 4BY Tel: 01-248 8000 ext 3238 Telex: 885033

CLASSIFIED ADVERTISEMENT RATES

From January 1, 1986 Single column cm (min. 3 cms) Per line (min. 5 cms) £ 11.50 39.00

Table showing classified advertisement rates for various categories like Commercial & Industrial Property, Residential Property, etc.

Premium positions available £8.00 per single column cm extra All prices exclude VAT

For further details write to: Classified Advertisement Manager, Financial Times, 10 Cannon Street, London EC4P 4BY

BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield. Includes sub-sections for 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS - Cont.

Table of American Stocks with columns for Name, Price, Dividend, and Yield. Includes sub-sections for 'CANADIANS' and 'UNDATED'.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS - Cont.

Table of Building, Timber, and Roads stocks with columns for Name, Price, Dividend, and Yield.

DRAPERY & STORES - Cont.

Table of Drapery and Stores stocks with columns for Name, Price, Dividend, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Name, Price, Dividend, and Yield.

ENGINEERING - Continued

Table of Engineering stocks with columns for Name, Price, Dividend, and Yield.

INDUSTRIALS - Continued

Table of Industrial stocks with columns for Name, Price, Dividend, and Yield.

INT. BANK AND OSEAS GOVT STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues with columns for Name, Price, Dividend, and Yield.

BANKS, HP & LEASING

Table of Banks, Hire Purchase, and Leasing stocks with columns for Name, Price, Dividend, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Price, Dividend, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, and other consumer goods stocks with columns for Name, Price, Dividend, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Name, Price, Dividend, and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, Dividend, and Yield.

BEERS, WINES & SPIRITS

Table of Beers, Wines, and Spirits stocks with columns for Name, Price, Dividend, and Yield.

BUILDING, TIMBER, ROADS

Table of Building, Timber, and Roads stocks with columns for Name, Price, Dividend, and Yield.

AMERICANS

Table of American Stocks with columns for Name, Price, Dividend, and Yield.

INDUSTRIALS (Misc.)

Table of Industrial (Miscellaneous) stocks with columns for Name, Price, Dividend, and Yield.

Handwritten note: 'not 150'

Handwritten note: 1000/1000

INDUSTRIALS - Continued

Table of industrial stocks including Shell, BP, and various engineering firms. Columns include stock name, price, and other financial metrics.

LEISURE - Continued

Table of leisure and entertainment stocks such as cinema chains and holiday resorts.

PROPERTY - Continued

Table of real estate and property investment trusts.

INVESTMENT TRUSTS - Cont.

Table of various investment trusts and funds.

FINANCE, LAND - Cont.

Table of financial and land-related stocks and companies.

MINES - Continued

Table of mining stocks from various regions including Africa and Australia.

INSURANCES

Table of insurance companies and their financial data.

PAPER, PRINTING, ADVERTISING

Table of publishing and advertising companies.

SHOES AND LEATHER

Table of shoe and leather goods manufacturers.

SOUTH AFRICANS

Table of South African stocks and companies.

TEXTILES

Table of textile manufacturing companies.

OVERSEAS TRADERS

Table of international trading companies.

LEISURE

Table of leisure and entertainment stocks.

PROPERTY

Table of real estate and property investment trusts.

TRUSTS, FINANCE, LAND

Table of trusts, financial institutions, and land-related companies.

FINANCE, LAND, etc

Table of financial and land-related stocks.

PLANTATIONS

Table of plantation and rubber stocks.

MINES

Table of mining stocks.

Regional and Irish Stocks section with various market notes and exchange information.

LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Account Dealing Dates
Option
*First Declara- Last Account
Dealings from Dealings Feb 17
Feb 27 Feb 28 Feb 21 Mar 3
Feb 24 Mar 6 Mar 7 Mar 17

Tempo slackens but equity index edges forward to record level

The pace was more leisurely throughout the stock market session in London yesterday. After Wednesday's frenetic activity, the slowing in the equity market's upward momentum was particularly welcomed. It gave traders and investors alike the opportunity to examine their portfolios, and few reached the conclusion that the time was ripe to divest of good-class stocks.

A fully-paid tender price of 94 which was above the minimum requirement. Initial offerings of other Gilt maturities were eventually absorbed and longer-dated stocks settled to end around 4 1/2 per cent.

FINANCIAL TIMES STOCK INDICES

Table with columns for indices: Government Secs, Fixed Interest, Ordinary, Gold Mines, etc. with values for Feb 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, year ago.

HIGHS AND LOWS S.E. ACTIVITIES

Table with columns for High, Low, and S.E. Activities (Govt. Secs, Fixed Int., Ordinary, Gold Mines).

Moving business was unusually light and probably affected by a cautious reading of the Institute for Fiscal Studies budget submission. This threw doubt on the Chancellor's scope for tax cuts this year, although the report concluded optimistically that substantial reductions could be achieved in 1987.

Midland easier
A broker's cautious assessment of Midland in the wake of its sale of Crocker National to Wells Fargo induced renewed profit-taking which left the shares 10 down at 465p; WF closed 2 1/2 higher at 555p.

hopes prompted fresh speculative activity in Staffordshire Pottery which closed around the day's best with a gain of 14 at 115p, while Brammer, also the subject of speculative interest, rose 13 to 345p.

BP farmer
Reports that traders in North Sea oil futures markets had incurred substantial losses in recent weeks and may not honour their commitments brought renewed pressure on oil prices and prompted dealers to mark leading oil lower at the outset of trading.

Lucas Industries featured proceedings in Motor Components, rising 15 to 545p, after 545p, amid talk of a chart which showed a rise in the Lucas share price.

Rebec's surprise bid for Haslemere Estates set the Property sector alight. Reflecting the strength of Haslemere and the sector's other current takeover activity, the Property sector rose 17p to 215p.

Preparations were completed for a hectic opening business today in Wellington. The shares are granted a warm reception and estimates of the likely premium over the issue price of 120p increased to between 30p and 40p.

ICI drifted back to 845p before late speculation left the close a couple of pence dearer on balance at 852p.

Among Food Retailers, Tesco rose 8 to 305p on rumours of a bid at 150p. Elsewhere in the Retail Group, the share price of M&M hardened a couple of pence to 144p.

Imperial Group rose 5 more to 252p, on hopes of an increased offer from Hanson Trust in the

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Index No., Day's Change, etc. for various sectors like CAPITAL GOODS, BUILDING MATERIALS, etc.

FIXED INTEREST

Table with columns for PRICE INDICES, Index No., Day's Change, etc. for various interest-bearing instruments.

YESTERDAY'S ACTIVE STOCKS

Table listing active stocks from yesterday with columns for Stock, Closing Day's Change, etc.

WEDNESDAY'S ACTIVE STOCKS

Table listing active stocks from Wednesday with columns for Stock, No. of Wed. Shares, Day's Change, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol., Last, etc. for various European options.

EQUITIES

Table listing equities with columns for Index No., Day's Change, etc.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue No., Latest Return, etc.

RIGHTS OFFERS

Table listing rights offers with columns for Issue No., Latest Return, etc.

RISES AND FALLS YESTERDAY

Table listing rises and falls in various markets like British Funds, Foreign Bonds, etc.

NEW HIGHS AND LOWS FOR 1985/86

Table listing new highs and lows for various stocks in 1985/86.

TRADED OPTIONS

Table listing traded options with columns for Option, Apr., May, Jun., etc.

LONDON TRADED OPTIONS

Table listing London traded options with columns for Option, Apr., May, Jun., etc.

EQUITIES

Table listing equities with columns for Index No., Day's Change, etc.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue No., Latest Return, etc.

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LONDON TRADED OPTIONS

Table listing London traded options with columns for Option, Apr., May, Jun., etc.

Handwritten note: 'I will not do'

WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia, Japan, Canada, Denmark, France, Netherlands, and Switzerland. Columns include stock names, prices, and changes.

Table of Canadian stock markets including Toronto and Montreal. Columns include stock names, prices, and changes.

OVER-THE-COUNTER Nasdaq national market, 2:30pm prices

Table of over-the-counter stock prices for various companies like IBM, Microsoft, and others.

Indices

Table of stock indices for various regions including New York, South Africa, and others.

NEW YORK ACTIVE STOCKS

Table of active stock prices in New York, including companies like Goodyear and Texaco.

LONDON Chief price changes

Table of price changes in London for various sectors like RISES, MEPC, and FALLS.

U.S. quarterly results

Table of quarterly financial results for various U.S. companies.

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Advertisement for Montgomery Street and WALL ST. with text: For morning delivery of the FT in major business centers coast-to-coast, call 212-752-4500.

Prices at 3pm, February 13

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table of stock prices with columns for stock name, price, and change. Includes a sub-section labeled 'C. C.' (Central Finance Corporation) around the middle of the page.

Continued on Page 41

Handwritten text 'Jill not 10' at the bottom center of the page.

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, and change.

AMEX COMPOSITE PRICES

Prices at 3pm, February 13

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, and change.

OVER-THE-COUNTER

Table of Over-the-Counter prices listing various stocks with columns for stock name, price, and change.

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Continued on Page 39

